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NEWS SUMMARY

GENERAL

Britain shivers in new blizzards

Blizzards sweeping across Britain blocked more than 50 major roads yesterday, with speed limits down to 20 mph imposed on long sections of motorway. Everywhere, road conditions were treacherous.

In the South-East, snow-drifts blocked main lorry roads to Kent ports, and in Cambridgeshire, widespread flooding of farm land occurred. But Portland, Dorset, hit by freak waves on Tuesday, suffered only minor flooding. On the Isle of Sheppey, where a flood warning was issued, a foot of water washed over promenades.

Commuters faced one of their worst days this winter.

Tributes to Maudling

Political leaders paid tribute to Mr. Reginald Maudling, the former Tory Cabinet Minister and MP for Barnet since 1950, who died in a London hospital yesterday.

Mr. James Callaghan, the Prime Minister, said Mr. Maudling had been a "very human man." Former Prime Minister Edward Heath described him as standing, above everything, for moderation.

Mrs. Margaret Thatcher, the Tory Leader, said Mr. Maudling had given a lifetime of service to his country.

Obituary, Page 25

Aid for Oman

Egypt is sending 200 military specialists to Oman to bolster the Sultan's armed forces and replace a similar number of Iranian troops being withdrawn on orders from Tehran. Page 3

Bhutto stay

Pakistan Supreme Court granted ex-Premier Zulfikar Ali Bhutto a stay of execution for 10 days, but his lawyer complained he was entitled to more time. The four others sentenced to death with Mr. Bhutto have lodged mercy petitions.

Tanzania advance

An armed force has advanced from Tanzania to about 40 miles inside southern Uganda, Western diplomats said. Uganda again called for an immediate meeting of the UN Security Council to deal with the situation.

Israel offer

Israel is prepared to cut its arms requirement from the U.S. by up to 25 per cent if a peace agreement is signed with Egypt, U.S. Defence Secretary Harold Brown was told during talks in Tel Aviv.

Colonel shot

Gunmen shot dead an army lieutenant-colonel in Vitoria, Northern Spain, police said, in an apparent attempt to provoke the armed forces two weeks ahead of Spain's general elections. First reports blamed the Basque separatist group ETA for the attack.

Briefly . . .

Police have arrested six men in connection with the theft of $1.2m-worth of precious metals from a Paris manufacturer last weekend.

Five people were injured when a bomb exploded in Cairo's Sheraton Hotel, the first instance of terrorism in the capital for 18 months.

Unidentified man aged about 30 jumped to his death from the top of Cologne Cathedral.

The Government proposes to increase its grant to the Arts Council for 1979-80 by 25 per cent to a total £61.27m. Page 5

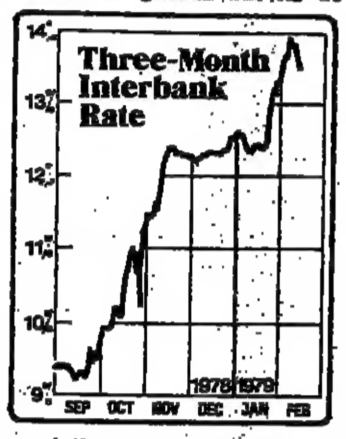
BUSINESS

Equities improve; Gilts firm

● **EQUITIES** continued to improve and the FT ordinary index closed a further 2.0 up at 457.4.

● **GILTS** showed gains of ½ and the Government Securities index closed 0.21 up at 65.39.

● **STERLING** rose 15 points to $2.0050 and its trade-weighted index rose to 63.7 (63.5). The dollar lost ground but its depreciation remained unchanged at 8.4 per cent. Three-month interbank rate fell again to 13¼ per cent, after standing at nearly 14 per cent last week.



● **GOLD** fell $1 to $240⅝ in London.

● **WALL STREET** was 0.34 down at 829.87 just before the close.

● **COPPER** fell sharply on the LME, but recovered in late dealings to stand £18.5 down at £939.25 at the close. Late kerb trading pushed the 3-months wirebars price to £948 a tonne. Page 37

● **JAPANESE** insurance companies have emerged as heavy buyers of Gilts since the end of last year, with purchases of $350m in January and another $150m worth so far in February. Back Page

● **BRITAIN'S** trade surplus for January was £1m, compared with a surplus of £187m in December. The road haulage dispute appears to have cut both imports and exports by about £300m below their underlying levels, representing about 10 per cent of monthly trade. Back and Page 6

● **WEST GERMAN** Chancellor Helmut Schmidt at a Financial Times conference called for strong resistance to the threat of trade protectionism. Back Page

● **ADVOCATE GENERAL** of the European Court has said that the suspended anti-dumping duty imposed on Japanese ball-bearing manufacturers should be declared void because of their undertakings to raise their prices. Page 2

● **FORD'S** average weekly production of cars in the UK fell by more than 20 per cent and commercial vehicles by 28.25 per cent in 1978, according to Motor Manufacturers and Traders figures. Page 5. The head of the U.S. parent company, Henry Ford II, is to meet the French president, M. Valery Giscard d'Estaing next month, before Ford announces the location of its next large European assembly plant.

COMPANIES

● **SECURICOR GROUP** pre-tax profits for the year to September 29 rose from £4.52m to a record £5.42m on turnover £20m higher at £121m. Page 26

● **ROCKWELL INTL** joint venture talks with Wilmot Breeden are still continuing, and there is a possibility that Rockwell may make an outright bid for Wilmot. Page 27

● **BIRMID QUALCAST** reports a drop in pretax profits for the year to October 31 from £10.55m to £4.77m. Page 26 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas. 14½pc 1994	£100½	+ ½
Treas. 12½pc '03-05	£89½	+ ½
Allen Harvey & Ross	325	+ 15
Baker Perkins	170	+ 9
Barratt Devs.	103	+ 6
Borthwick (T.)	79	+ 3
Brown & Jackson	290	+ 20
Channel Tunnel	100	+ 10
Cowie (T.)	46½	+ 4
Cullens A	134	+ 10
Eurotherm Intl.	277	+ 12
Finlan (J.)	49	+ 5
Hepworth (J.)	72	+ 4
Hogg Robinson	120	+ 7
Home Charm	286	+ 9
ICI	363	+ 7
Land Secs.	261	+ 5
Lindsay & Williams	92	+ 28
Man. Agency & Music	121	+ 8
Marchwiel	108	+ 5
Meat Trade Suppliers	91	+ 8
Melody Mills	122	+ 4
Milford Docks	180	+ 13
Peachey Prop.	103	+ 4
Ratners	66	+ 5
Regional Props.	90	+ 6
Securicor	138	+ 4
Union Discount	325	+ 15
Utd. Scientific	273	+ 8
Wintrust	89	+ 3
Wolseley-Hughes	210	+ 5
Union Corp.	360	+ 6

FALLS

Glass & Metal	94	− 5
Intl. Thomson	335	− 7
MFI Furniture	227	− 7
Conzinc Riotinto	290	− 8
Impala Plat.	210	− 5
Libanon	550	− 16
Mount Lyell	58	− 4
Roan Cons. Mines	100	− 5

Callaghan and Murray launch new agreement

BY RICHARD EVANS, LOBBY EDITOR

MR. JAMES CALLAGHAN and Mr. Len Murray, general secretary of the TUC, yesterday launched the joint agreement between the Government and the trades unions, which Ministers hope will give Labour a viable platform on which to fight the next general election.

But Mrs. Margaret Thatcher, the Conservative leader, immediately branded the 3,000-word joint statement "a boneless wonder." She argued that TUC advice and guidance was no longer enough and said new laws were required to establish proper trade union practices.

The agreement analysed Page 8; Employees reluctant to settle in first half of pay round Page 8; Council workers' talks breakthrough Page 8; Parliament Page 10; Economic Viewpoint Page 24; Richardson gives a warning Back Page


Ashley Ashwood
Mr. James Callaghan and Mr. Len Murray after announcing the agreement.

The key question will be whether the electorate accepts the document as a genuine and meaningful attempt to reform much criticised trade union attitudes, or whether it is a politically motivated effort to rescue the Labour Party from the damaging effects of recent industrial strife.

The document, agreed after 2½ hours of discussion at Downing Street yesterday between economic Ministers and the general council of the TUC, says:

● The TUC is to issue guidance to affiliated unions on the conduct of industrial relations covering three areas: negotiating procedures for avoiding disputes; the conduct of disputes when they arise, and trade union organisation and the closed shop.

● There is to be a national assessment by the Government and both sides of industry before Easter each year of the country's economic prospects.

● An inflation target of 5 per cent within three years has been set following agreement that the concepts of a "going rate" with leap-frogging pay claims is an obstacle to reducing inflation.

● There are to be talks on the

Continued on Back Page

Commission warns of retail price leap

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

A CLEAR warning that retail prices may rise sharply in the next few months was given last night by the Price Commission.

It followed publication of the Commission's monthly index of price rises notified to it for January, which showed the biggest rise for over two years.

The rise in the index in the six months to the end of January expressed as an annual rate, was 8.4 per cent, compared with 5.7 per cent increase, annualised in the six months to December.

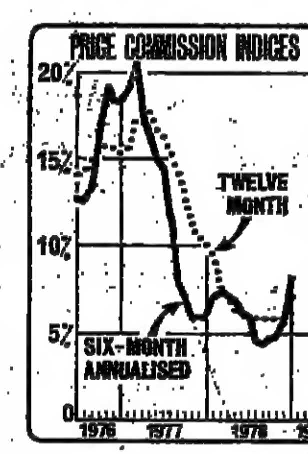
The price rises planned by big companies charted in the index usually take two or three months to be reflected in retail prices.

Mr. Charles Williams, the Commission's chairman, warned last night that the prospects for keeping inflation in check had been dented.

"There is no doubt that the OPEC price increase, coupled with the dislocation in the oil market resulting from the Iranian situation and the failure of the Government's 5 per cent guidelines policy, make the outlook for inflation this year somewhat worse than it was two to three months ago."

The rise in the index had been due to substantial price increases being sought by oil companies, breweries, and water authorities. "Furthermore, we are starting to see the effects of some of the major pay settlements in the present pay round."

Mr. Williams made it clear that the course of the inflation rate this year depended on developments in the pay round. "It is all the more important to hold the line where we can and not let the inflation rate run away," he said.



Analysis of the Commission's figures has shown that the January rise in the index, although provisional, was not due to any abnormal seasonal factors. The rise in the index over the past 12 months was 7.1 per cent, compared with 5.9 per cent in the 12 months to December 1978.

Clydeside plants closure threat

BY RAY PERMAN AND LISA WOOD

THE FUTURE of two U.S.-owned plants on Clydeside—Marathon Shipbuilders at Clydebank and Goodyear Tyres at nearby Drumchapel—is under serious threat, with the possible loss of nearly 2,000 jobs.

The two companies are important employers in an area with high unemployment, which has already been badly hit by closures and redundancies.

Marathon, which employs 1,100 and has only a few weeks' work left, yesterday turned down a Government order for an oil-drilling rig because the price was too low.

This puts a question mark over the yard's future, although the management did not discuss rundown or closure in talks with unions yesterday.

Mr. Bruce Millan, Secretary of State for Scotland, was extremely concerned about the position of Marathon. He has asked Mr. Gene Woodfin, chairman of the U.S. parent company, to meet him in London next week. The chances of an order being agreed at this meeting look slim.

The British National Oil Corporation has been negotiating with Marathon on behalf of a state consortium including British Gas and the Scottish Office. It has refused to pay more than £11m for a rig, which is believed to be £500,000 less than the lowest figure the company is prepared to accept.

Mr. Ian Clark, a director of BNOC, said that the Corporation could not offer more and still remain commercial. "As far as we are concerned, our involvement is ended."

Mr. Millan would like the Marathon yard to remain open, but is likely to be prevented from increasing the offer by Treasury opposition and the danger of infringing international agreements on the level of state aid to commercial manufacturers.

At Goodyear, workers have rejected a management scheme to cut losses by restructuring working practices. This included re-introducing a Friday night-shift, which was withdrawn in 1974 after an 11-week strike.

Redundancies would have been limited to 57 under the company's proposals. But Mr. Edward Duffy, union convenor, said that the workers rejection against the advice of shop stewards made closure likely with the loss of more than 700 jobs.

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FEATURES

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Fighting erupts in Tabriz

BY SIMON HENDERSON IN TEHRAN

MOVES TO bring the turmoil in Iran under control suffered a severe setback last night when major fighting was reported in the north-west city of Tabriz. A few hours earlier, the U.S. embassy in Tehran was stormed and captured by Marxist guerrillas following a two-hour gun battle.

In an apparent effort to pull Iran back from the brink of anarchy, the Ayatollah Khomeini called on the nation to return to work on Saturday, ending the strikes which have crippled the economy.

In a nationwide broadcast, the religious leader said the strikes, which have paralysed the country's oil industry, had achieved their purpose.

Reports of the fighting in Tabriz were sketchy. Iranian journalists there said several hundred people may have been killed in battles between the army and secret police supporters of the deposed Shah on the one hand and Marxist guerrillas and Azerbaijani separatists on the other.

The Ayatollah Khomeini had earlier issued an appeal for the people of Tabriz to "rise and oppose elements of the corrupt regime." One report said that a major battle had taken place for control of the radio station, which later went off the air. Military aircraft were sent to the city, presumably to take part in the fighting. A military communique by Iran's Provisional Government claimed "agents were killing and setting fire to public buildings, including a hospital."

Later, Iran Television interrupted its programmes

Continued on Back Page

Double blow to U.S.

By David Buchan in Washington

PRESIDENT JIMMY CARTER held urgent talks with his top advisers yesterday after the double blow to American prestige abroad in the storming of the U.S. embassy in Tehran and the killing of Washington's ambassador to Kabul.

At one stage Mr. Carter and Mr. Cyrus Vance, Secretary of State, seriously considered cancelling the president's state visit to Mexico City.

Only after news of the release of Mr. William Sullivan, the ambassador to Iran, with 70 other embassy staff, did the president's aircraft take off for Mexico.

Although the State Department strongly condemned the nearly simultaneous seizure of the embassy and the killing of Mr. Adolph Dubs, ambassador to Afghanistan, President Carter's decision to go ahead with his trip drew immediate criticism from members of Congress.

Earlier, the President was refused approval from Turkey for U.S. Marines to stand by there to evacuate U.S. civilians from Iran.

The State Department criticised the security forces of the Marxist Afghan Government for ignoring its advice not to storm the hotel room where Mr. Dubs was held hostage.

By contrast, it thanked the Government installed by the Ayatollah Khomeini for securing the release of Mr. Sullivan and his colleagues. Most of them are believed to be back in the embassy, but its communications with Washington have been cut.

The U.S. Government, which this week was expecting a quick resumption of normal relations with Iran, was urgently consulting Mr. Bazargan's Government on the possible evacuation of the 7,000 Americans in Iran.

U.S. Ambassador in Afghanistan killed, Page 4

Foreign banks face curbs

BY JOHN EVANS AND ANTHONY McDERMOTT

INTERNATIONAL BANKS have been asked by an "interim supervisory council," now apparently in control of the Bank Markazi Iran — the country's central bank — effectively to restrict transactions on its overseas accounts. The council hints that failure to do so will endanger future relations.

A telex from the council asked foreign banks to carry out transfers and debits from Bank Markazi accounts overseas only with its consent, to "make continued co-operation with your bank easier."

The irrival of this telex four days ago, although without the testing number which is normal international banking practice in verifying authenticity, is worrying foreign bankers. It intensifies the confusion already surrounding Iran's commercial relations with the West.

There is a substantial backlog of international transactions, including an estimated 50,000 commercial payments at Bank Melli, a secondary central bank. If these are fulfilled swiftly, the country's foreign currency reserves, standing notionally at more than $10bn, could be halved.

Although membership of the interim council is not clear, it is known that most ministries have been either on strike or taken over by revolutionary committees during the events leading up to the Shah's departure.

Bankers also recognise that the Ayatollah Khomeini's Government is generally anti-Western and views with extreme distrust international banking operations.

The telex message implicitly covers a wide variety of foreign transactions, ranging from large syndicated loans to smaller trade transactions, such as letters of credit. Foreign banks were pointing out that even routine transfers, such as standing orders, were included.

However, some added that the move could be the first step towards restoring some order to Iran's extensively disrupted trading life.

The text of the telex said: "As you know, the revolution of the people of Iran has taken over the affairs of the country and the interests of the Iranian nation need to be protected at such crucial times by making all the foreign exchange transfers and transactions of all kinds, including cash and deposits of Bank Markazi Iran etc., only with the consent and authorisation of the revolutionary leadership.

"In this respect, an interim supervisory council has been formed at Bank Markazi and we have to request your bank to carry out all transfers and debits from Bank Markazi accounts with you only with the prior consent of the said council.

"It is obvious that your compliance with this request will make the continued cooperation of Bank Markazi with your bank easier."

Although some commercial banks which received the telex are undecided whether to follow the instructions, the London branch of one big Iranian commercial bank has decided to block any payments or transfers until it receives approval from the "interim council."

Meanwhile, a London spokesman for the Iranians Bank, one of Iran's small commercial banks, yesterday said the payment of a U.S. dollar deposit owed to Dow Banking Corporation of Zurich "was now in the pipeline."

£ in New York

—	Feb. 9	Previous
Spot	$2.0010-0025	$2.0000-0001
1 month	0.56-0.51 dis	0.56-0.51 dis
3 months	1.67-1.63 dis	1.66-0.61 dis
12 months	5.39-5.19 dis	5.30-5.10 dis

European MPs put pressure on Swiss over Roche verdict

BY ELINOR GOODMAN, LOBBY STAFF, IN LUXEMBOURG

THE European Parliament is increasing the pressure on Switzerland to stop allowing multinationals to hide behind its national laws in order to withhold information from the Community.

MPs voted yesterday by a large majority in favour of referring the Hoffman-La Roche case to the Parliament's legal affairs committee. They want the committee to decide whether a Swiss court violated the terms of Switzerland's trade agreement with the EEC when it convicted a former employee of the pharmaceutical giant of espionage because he gave the Commission coonfidential information about the company.

If the committee decides the agreement was violated, then Specialist MPs, led by Mr. John Prescott, the British MP for Hull East, will argue that Switzerland has nullified the agreement by its own actions and that the preferential trading terms no longer hold good.

Although the committee has no power to force the Commission to terminate the agreement, a ruling by the committee against Switzerland would e a formidable victory in the Socialists' propaganda war against what they claim is the way multi-nationals are using Switzerland as a "flag of convenience."

Yesterday the Socialists were supported by MPs from most other parties in the Parliament, including some British Conservatives, in calling for a reference to the legal committee.

The vote is the latest twist in a saga which began over three years ago, when the Commission acused Roche of abusing its dominant market position in the supply of certain vitamins.

Much of the Commission's case was based on evidence provided by Mr. Stanley Adams, a former company employee who was subsequently imprisoned for espionage in Switzerland for handing over confidential documents to a foreign power—the European Community.

Earlier this week, the European Court of Justice upheld the Commission's judgment that Roche had abused its market position, but ruled that the DM 1.098m (£297,000) fine should be reduced by one-third.

Mr. Prescott also questioned the validity of the 1972 EEC-Swiss trade agreement in the European Parliament. But he was told by Mr. Wilhelm Haferkamp, the Commissioner responsible for external affairs, that while the information requirements were being discussed with the Swiss authorities, there was no question of terminating the agreement.

Yesterday, Mr. Prescott described the Commissioner's response as "miserable," and claimed that at issue now was a straight-forward breach of a trading agreement. The way the Swiss courts were intepreting their national law made it impossible for the Community to enforce its competition laws on companies based in Switzerland.

Emminger allays currency worries

BY OUR FRANKFURT CORRESPONDENT

DR. OTMAR EMMINGER, president of the Bundesbank, yesterday rejected the idea that there could be an outbreak of currency unrest if the formal introduction of the European monetary system (EMS) were delayed further. Current balance of payments and exchange rate factors spoke against this fear, he said.

Addressing the Financial Times conference here, Dr. Emminger noted that since December EMS members' currencies had stayed within the margins which would have obtained had the system started as planned on January 1. It is being delayed by a dispute over agricultural financing.

"Thus, as concerns the exchange rate structure, we have already been living for some months in a de facto EMS, and have been doing so without any particular support by central banks," Dr. Emminger said.

In his view the exchange rates of the Italian lira and the French franc seemed wholly credible in the market place and thus well suited as entry rates for the EMS. Further, Italy had a big current account surplus, and both France and Britain had achieved reasonable payments equilibrium. All these factors were a good omen for the operation of the EMS in the immediate future.

However, Dr. Emminger added that much would depend on achievement of greater economic convergence in the major member states, on the success of current anti-inflation programmes and on the dollar's development.

Speaking immediately after Dr. Emminger, Mr. Gordon Richardson, the Governor of the Bank of England, stressed that he was firmly in favour of a stable exchange rate for sterling and that all EEC members agreed that cutting inflation was a pre-condition for solving other economic problems.

Although Britain had announced it would not take part from the start in the intervention arrangements of the EMS, it was playing a full role in preparations for the system. The policies which Britain needed to pursue in its own interests would ensure that its monetary actions would remain close to those of its Community partners.

In the long run, Mr. Richardson believed that the currency intervention question might prove less significant than the accompanying ideas of a European monetary fund, some pooling of reserves and co-ordination of monetary and economic policies in Europe.

However, all these developments required first that a satisfactory answer be found to the problems of the budget and transfer of resources within the EEC. Without this, he doubted whether much progress could be made towards integration. Even the present degree of economic policy co-ordination in Europe could be put at risk.

Dr. Otmar Emminger

Denmark to extend prices freeze

By William Dullforce in Stockholm

THE DANISH Government yesterday asked parliament to extend the price freeze to April 15. At the same time the Danish employers' association (DAF) and the trade union federation (LO) have broken off their wage talks and have called in the state mediator.

The two events are closely linked. The LO has asked for a six-month extension of the price freeze as part of this year's incomes settlement. This demand has divided the Cabinet, a coalition between Social Democrats and Liberals, which was reluctant to give any promise on prices until the size of the wage settlement was evident.

To avoid a price explosion during the wage talks, however, the Government has agreed to extend legislation until April 15. The freeze came into force last August as part of the political agreement which led to the formation of the coalition government under Mr. Anker Joergensen. It is due to expire on February 26.

The employers' stand for wage restraint has been strengthened by a report from the Government's Economic Secretariat on Monday suggesting that the payments deficit for 1979 is likely to be closer to DKR 8bn (£775m) than to the DKR 6.5bn target.

U.S. warning over parity adjustment rules in EMS

BY GUY HAWTIN AND JONATHAN CARR IN FRANKFURT

A WARNING that the new European Monetry System (EMS) was in danger of repeating the errors of the old Bretton Woods arrangement was made at the Financial Times World Business Conference yesterday.

Mr. Robert Solomon, senior fellow of the Brookings Institution, said that a major defect of the Bretton Woods system was that it failed to contain explicit guidelines for adjustments both of payments imbalances and exchange rates by member countries. As a result the system had been asymmetrical, with more severe pressures on deficit than on surplus countries.

There was little evidence that these lessons had been learned in the case of the EMS, Mr. Solomon said. There were no clear rules about changes in parities or central rates. This emphasised the basic dilemma of those who were trying to establish the EMS. On the one hand, they wished to impose discipline on member countries. But, he warned, if no provision for adjustment were made, the system would break down.

Mr. Solomon was giving a U.S. view of the EMS at the conference, the theme of which was "Finance and Trade in the 1980s." Herr Helmut Schmidt, the West German Chancellor, was the first speaker at yesterday evening's post-conference dinner.

Other speakers at the conference yesterday were Lord Roll of Ipsden, the Hon. A. V. Hare, chairman and chief executive of the Financial Times, Dr. Otmar Emminger, president of the Bundesbank; the Rt. Hon. Gordon Richardson, Governor of the Bank of England; M. Francois-Xavier Ortoli, vice-president of the Commission of the European Communities; Mr. Erik Hoffmeyer, Governor of Denmark's National Bank, and Mr. Franz Lutolf, general manager and executive Board member of the Swiss Bank Corporation.

On the implications of the EMS for the International Monetary Fund (IMF), Mr. Solomons said that the Europeans might no longer find it necessary to draw on the Fund, leaving it to

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become a source of credit only to non-EMS members.

The creation of an EMS asset in the form of the European Currency Unit (ECU) could act to the detriment of Special Drawing Rights (SDR) and he asked why the creators of the EMS could not have employed the SDR. Use of the SDR as a settlement medium would not have implications for the dollar and would avoid competition with the IMF. Further, use of the ECU should be confined to settlement among EMS members if damage to the IMF was to be minimised.

Mr. Solomon said that the purpose of the EMS should be integration of the European economies rather than just the achievement of exchange rate stability. If EMS members were not prepared to alter their exchange rates from time to time the EMS would become not a zone of stability but a zone of stagnation.

Mr. Erik Hoffmeyer strongly disagreed with the view, ex-

M. Francois-Xavier Ortoli

pressed by the British in particular, that the EMS was too much like the European currency snake and so not viable for big countries.

He made four main points. The first was that unlimited central bank credit had not been changed for the EMS and nobody wanted it changed. The second, that exchange rate changes should be small and rare, and the third that the attitude to interest rates should be less doctrinaire, were unwritten rules the importance of which had emerged over the last year or two.

The fourth point, a symmetrical pressure on surplus as well as deficit countries had been changed in favour of the latter by the introduction of the so-called indicator of divergence.

On the ECU issue, Mr. Hoffmeyer suggested that the planned European Monetary Fund might operate in the market for both EMS members and non-member countries.

The idea would be to receive deposits in national currencies against ECU, but the ECU would have to be competitive to those currencies. That meant that the expected real rate of interest would have to be at least as good or better than the best national currency.

M. Francois-Xavier Ortoli, vice-president of the European Commission, outlined the reason for the creation of the EMS. He said it could develop in three main ways.

First, present arrangements for depositing reserves could be transformed into a Community reserve system. Second, the ECU could be created against the deposit of national currencies and no longer against the deposit of gold and foreign exchange reserves alone.

Third, it could also take on gradually the role of an instrument for settling private transactions and of a reserve currency. Thus, it would no longer serve only as means of settlement between central banks.

These three developments would have the same point of convergence, he said. They would develop a system broadly based on the multilateralisation of bilateral relations into one built around strong national poles and a strong common centre, namely the body which became the focal point of the new European monetary organisation.

Lord Roll, speaking about China and the international financial community, said that recent estimates of the size of the credits that China was preparing to take up appeared to be exaggerated. While the volume would still be large, it would certainly not be beyond the resources of the international financial community.

China was still, to some extent, recovering from the after-effects of the overthrow of the "gang of four" and the shock of the Cultural Revolution. While there had been a profound change of attitude to business with the West in general, and to credit in particular, there were still ideological difficulties to be overcome.

In the past 18 months, however, attitudes had changed to such trading methods as joint ventures. The Chinese accepted joint ventures, although their interpretation of the term was rather different from that of the West. The Chinese saw them virtually as joint management contracts, with ownership reverting to the Chinese after a fixed period. Barter and compensation deals were also under discussion.

After the initial enthusiastic bids for trade with leading Western trading nations a certain amount of rethinking appeared to be taking place. The reasons for this were hard to determine but included among them were probably the traditional Chinese fear of international indebtedness and possibly an appraisal of the physical constraints on expansion imposed by relatively under-developed infrastructure. There was also a shortage of management and technical skills.

Austria row over Polish coal pipeline

By Paul Lendvai in Vienna

A PUBLIC quarrel over the energy supply has erupted here after the Government defeat in last year's referendum on whether to commission Austria's first nuclear power plant. The utility companies want to build a conventional 430 MW power plant as soon as possible in place of the nuclear plant at Zwentendorf.

The conflict is over whether the plant should burn hydrocarbons or coal transported through a 250-mile pipeline from Poland. The construction of the pipeline, at an estimated cost of Sch 2.5bn (£92m) would only make sense if it could carry at least 5m tons a year.

The utility companies, especially the federal electricity corporation, the Verbundkonzern, reject the use of coal. The point is that the plant would need to go into operation by 1982-83, and a coal-fired plant would take longer to build.

The utility concern is not against using Polish hard coal for further power stations, but Dr. Herbert Brandhauer, the director-general of the Verbundkonzern, is against building a pipeline. Austria now imports 1.2m tons of Polish coal a year. The capacity of the planned pipeline would have been 5m tons a year, supplying power stations and two major companies in Upper Austria, Chemie Linz and Voest.

In Dr. Brandhauer's opinion, it would be more economic to use the coal in Poland to generate electricity for export to Austria.

Commission puts forward aid package for Turkey

BY MARGARET VAN HATTEM IN BRUSSELS

THE EEC Commission is proposing financial aid for Turkey worth about $700m over five years as part of a package of measures to revive Turkey's frozen association agreement with the Community.

Recent estimates by international bankers put Turkey's foreign exchange needs for the next five years at a minimum of $10bn. The Turkish Government indicated last October it hopes to raise about $8bn of this in Europe.

Heads of the governments of Britain, France, the U.S. and West Germany, at their summit in Guadeloupe last month, made a political commitment to help Turkey, but the Commission's proposals indicate that it considers the Paris-based Organisation for Economic Co-operation and Development, rather than the Community, to be the appropriate forum for most of the European contribution.

The Commission is proposing a new financial protocol worth around $600m replacing the present one worth $310m European units of account which expires in 1981. Most of this would take the form of soft loans.

In addition, the Commission is proposing a special co-operation fund worth around $100m in non-repayable grants for projects in industry, energy, infra-structure and the like.

These, together with proposals on industrial tariffs, agricultural trade and help for Turkish workers in Europe, form the basis of the mandate for the revised association agreement which the Commission is seeking. It will be put to Foreign Ministers meeting here on March 6.

The Commission proposes that Turkish tariffs on industrial imports from the Community be frozen for five years—suspending the obligation to phase them out—that EEC barriers to agricultural imports from Turkey be eliminated by stages after the end of this freeze, and that special training be provided for Turkish workers in EEC countries preparatory to their returning home.

It is suggested that some member government may baulk at the increases in financial aid

Anti-dumping ruling 'void'

BY A. H. HERMANN, LEGAL CORRESPONDENT

THE EUROPEAN COURT should declare void the EEC Council Regulation 1977-78 which imposed a suspended anti-dumping duty of 15 per cent on Japanese ball bearings on August 3, 1977.

This was the main conclusion presented to the European Court yesterday by Mr. Jean-Pierre Warner, one of its Advocates General. However, Mr. Warner did not find justified the claim for damages made by the Japanese ball-bearing producers and their European subsidiaries. In his view whatever loss or damage they suffered this was not due to the imposition of the suspended anti-dumping duty but rather to voluntary undertakings to raise prices. In 1977 the Commission had accepted as satisfactory, undertakings, given by Japanese producers that they would raise the price of their ball bearings exported to Europe.

Mr. Warner also found a number of procedural faults in the establishment of the EEC measures. In particular he pointed out that when ascertaining export prices of Nachi Fujikoshi Corporation, the Commission omitted to take two-thirds of its European imports into consideration. In addition to Nachi and its German and UK subsidiaries, the other companies involved are Koyo Seiko (also in Germany, France and the UK), NTN Toyo Bearing Company together with NTN Bearings—GKN and NTN subsidiaries in France and Germany. A separate action following the same objectives has been also brouhgt by the Import Standard Office, against Nachi's exclusive agent in France.

Call for Dutch investment ombudsman

By Charles Batchelor in Amsterdam

HOLLAND SHOULD appoint an investment ombudsman to deal with complaints from the public and to investigate dishonest claims made for property and securities. This recommendation is contained in a report presented by the consumer commission of the Social Economic Council (SER), a senior Government advisory body. The ombudsman could be appointed for a trial period of four years, it said.

Its recommendtions cover four areas of investment: property in Holland and abroad; securities; articles such as noble metals: precious stones; works of art and coins; and items such as cosmetics and knitting machines.

Information on the extent to which investors have been misled is sparse but the Council pointed to losses from dubious investment companies which cost Dutch investors Fl400m ($200m) over two years.

Offers to invest in property abroad should be accompanied by a full prospectus containing specified information and which should be registered with a supervisory body. Telephone sales would be forbidden.

Lisbon may limit public spending

BY JIMMY BURNS IN LISBON

SR. JACINTO NUNES, the Portuguese Finance Minister, today presents his provisional budget and short-term economic plan to Parliament.

An IMF delegation is, meanwhile, here to renegotiate the terms of a one-year stabilisation plan which originally contained a pledge by the Portuguese Government to hold the budget deficit of Es 60m (£635m). According to the Portuguese "letter of intent" the overall deficit of the public sector should have declined to 6 per cent of GDP by March, 1979.

In a recent television broadcast, Sr Carlos Mota Pinto, the Prime Minister estimated that the budget deficit had increased to Es 73bn. Yet, by his own admission, this figure understated overall spending since it did not include either subsidies to public companies or central government spending on local financing. According to Dr. Mota Pinto adding these two factors would take the overall deficit to over Es 95bn.

Portugal's public sector borrowing at end of 1978 is unofficially estimated to be approximately 8.6 per cent of GNP.

In his broadcast, Dr. Mota Pinto said that his Government would aim to cut back current account public sector spending by Es 23bn. He hinted that sharp rises in direct taxation would be unlikely.

Officials privately admit that Portugal is already over taxed and further increases would have a bad effect on productivity and investment. The short-term economic plan is expected to lay great emphasis on reinforcing Portugal's economic recovery through promoting the growth of exports and attracting investment.

Tighter control of public expenditure is expected to be a leading theme of the budget. Sr. Nunes has already spent the past few weeks in private meetings, thrashing out ways in which the Government can keep a check on subsidies to public companies without driving them to the wall.

Banking shake-up planned

BY OUR LISBON CORRESPONDENT

SR JACINTO NUNES, Portugal's Finance Minister and Deputy Prime Minister, is considering a shake-up of top management in the country's banking sector as a further move to improve efficiency.

Banking sources here have indicated that Sr Nunes will not renew the three year terms of a number of executives when they expire next month.

Last month Sr Nunes issued a circular through the Bank of Portugal which gave the country's nationalised banks and main credit institutions one month to present their accounts and clarify their plans. The circular was essentially designed to impress Portuguese bankers with the need to raise professional standards.

Two reasons are apparently behind the latest moves by Portugal's technocratic Finance Minister. The first is that Sr. Nunes, along with a number of leading officials at the Bank of Portugal, considers a number of Portugal's managers to have been appointed in the past on account of their political leanings rather than their efficiency.

Second, both the Finance Ministry and the Central Bank have been concerned lately at attempts by some of the commercial banks to assert their independence particularly in matters concerning credit policy.

Italy expels U.S. diplomat after spy leak

By Rupert Cornwell in Rome

THE SMOULDERING argument over American involvement in Italian domestic affairs has flared up again, following the expulsion by the Government of a U.S. diplomat serving in the Rome Embassy.

The Prime Minister's office issued a statement that the presence in Italy of Mr. Dominic Perrone was "undesirable." This came only hours after La Republica newspaper published an extensive and highly unflattering report by the diplomat to Washington on the state of the Italian secret service.

The circumstances of the leak are mysterious, even by Italian standards. The text in the newspaper was in a decoded version, suggesting that it may have been passed on in Washington after it had reached the Pentagon, rather than in Rome.

The report appears to contain no new revelations on the secret services, long the subject of criticism because of their alleged links with the political extreme Right and terrorism.

Romania defies Warsaw Pact

By Brij Khindaria in Geneva

ROMANIA HAS caused apprehension among its Warsaw Pact partners by telling the new disarmament committee in Geneva that it wants rules of procedure which will ensure that each member nation can speak freely without being treated as part of an alliance.

Romania's renewed defiance of the rules handed down by its Warsaw Pact allies has encouraged Western hopes that the disarmament discussions will regain enough vigour to bring progress in negotiations which have been smouldering for years. Subjects of particular interest are the proposed bans on all nuclear testing and on development of chemical weapons.

West Germany is faced with several highly sensitive political questions over its nuclear policy **Jonathan Carr reports**

Security of energy supplies threatened

SENIOR WEST German ministers met yesterday under Chancellor Helmut Schmidt to discuss the country's nuclear policy problems both at home and abroad. The talks were held against the background of a recent announcement by Argentina—a West German client—that it was moving swiftly towards securing a nuclear weapon capability.

But Argentina is not the only problem facing West German nuclear policy. Foreign and domestic difficulties — some highly sensitive politically—put in question not only the future security of energy supplies but also the existence of a high technology sector in which, so far, West Germany has done well.

The problems abroad affect, above all, Kraftwerk Union (KWU), the wholly-owned Siemens subsidiary which is West Germany's leading power station building company. In Iran KWU has two nuclear plants under construction near Bushir and has letters of intent dating from 1977 for four more. It is thought that the Bushir projects will probably be completed whatever form of government finally emerges in Tehran.

But hopes for the other four are fading fast. If firm orders fail to emerge then close to DM 20bn worth of business will be lost by KWU and other firms which hoped to be involved in the deal.

Meanwhile, Press reports from Brazil brought another shock for KWU. They quoted the new Industry Minister as saying Brazil intended to cut back its nuclear power programme — and with it the number of power stations it would take from KWU.

Siemens says the reports were based on a misinterpretation and that it has confirmation that Brazil's programme will go ahead as planned. But it also notes that four of eight nuclear plants KWU hopes to deliver to Brazil are not covered by formal orders — only options which, if taken up, would mean construction at the end of the 1980s and start of the 1990s. It is also agreed that there have been problems with the construction work already started by KWU in Brazil. But there appear to be no doubts that at least current nuclear orders there can be carried through successfully.

It was the Brazilian deal signed in 1975 which brought serious strain to West German-U.S. relations, particularly in the initial months of Jimmy Carter's Presidency. Included in the DM 12bn agreement were not just power stations but a whole nuclear fuel cycle. The Americans feared that Brazil, which has not signed the nuclear non-proliferation treaty, might use the facilities to make bombs. Bonn did not budge on this issue under strong American pressure—but U.S. officials continued to indicate privately they felt that only part of the accord would finally be carried out.

Now Argentina is re-emerging as a client for German nuclear expertise. KWU has already built one nuclear plant there—operating since 1975 — and Argentina is now interested in taking another—together with additional facilities. It is not yet clear just what these facilities would entail. But the Bonn Government is bound to be most cautious about involving itself in any new accord which could bring further tension with Washington over nuclear policy.

Quite apart from the foreign policy aspect, the West German government would come under intense pressure from within the ruling Social Democrat (SPD) and Liberal Free Democrat (FDP) parties. Many members of both are not simply opposed on political grounds to providing nuclear technology to an Argentine leadership they find distasteful. There is a powerful undercurrent of opposition in SPD and FDP to nuclear power as such. Warnings about an impending energy gap in the 1980s appears to have done little to weaken this stand. For example, it took the threat of resignation by all FDP Cabinet ministers recently to persuade a group of party colleagues not to vote in Parliament against continuation of a key fast breeder reactor experimental project. The opponents in the Bundestag have plenty of support at the grass roots.

This is the crucial point for the West German nuclear construction industry. Set-backs to exports would be tolerable so long as the industry could rely on a fairly buoyant home market. Indeed, firm domestic business has long been described by the industry as an essential base without which the ability to compete internationally will be lost.

But prospects at home are bleak. Work is going ahead on only about half the nuclear power stations on order, primarily because of protests by environmentalists which are carried into the courts, and lead to indefinite delays in giving construction permits. KWU has had no domestic order for a nuclear power station for about three and a half years. The company has a good stock of non-nuclear orders. But it will be impossible to hold together a team experienced in the nuclear field if its members have little opportunity to put their expertise into practice.

There is a further problem—involving nuclear waste disposal—which casts a shadow over the future operation even of existing nuclear power plants.

A suitable plan for waste disposal is a statutory condition for the operation of a nuclear power station in West Germany.

Current storage facilities are limited. A long term solution—construction of a spent fuel reprocessing and waste disposal centre at Gorleben in Lower Saxony—still seems a long way off. Although an agreement on financing has just been signed between the Federal and Lower Saxony Governments after lengthy negotiation, it is still not certain the site will prove wholly suitable. Even if it does, according to the present schedule Gorleben will only come fully into operation in the late 1980s and early 1990s. Delays cannot be ruled out—particularly since environmentalists have just announced a concerted action to prevent work on the project going ahead.

In the meantime the West Germans have turned to the French to help out on the waste problem. The company formed by 12 West German utilities which is trying to carry through the Gorleben scheme has signed a deal with the French for storage and reprocessing of more than 1,700 tonnes of spent nuclear fuel. But the French Government has intervened to say it wants a say over what happens to the plutonium thus produced and which is intended to be returned to West Germany.

Although no agreement has so far been reached the Germans insist they do not feel under pressure of time. However, the matter is highly delicate. There are many in the West German nuclear industry who look with envy at the technical progress made by their French colleagues—relatively unhampered by nuclear protesters compared with Germany.

There is also a feeling that as a nuclear weapons state and a non-signatory of the non-proliferation treaty, France has managed to gain a technical spin-off from its military achievements denied to the West Germans. Now the Germans find themselves in the uncomfortable position of at least partial dependence on the French for reprocessing. It all forms an uneasy background to that Franco-German entente so highly praised by both sides.

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U.S. Kabul envoy killed as troops storm kidnap hotel

BY DAVID HOUSEGO IN NEW DELHI

MR ADOLPH DUBS, the U.S. ambassador to Afganistan, was killed yesterday after being kidnapped by Moslem opponents to the Communist regime of President Noor Mohammed Taraki.

According to the U.S. Embassy in Delhi, the ambassador was seized by four gunmen when his car stopped in traffic yesterday morning, and then taken to a Kabul hotel. The gunmen demanded the release of three Shi'ite Moslem clergy who have been imprisoned by the Taraki regime. Shortly after noon, government troops stormed the hotel and found Mr. Dubs, 58, mortally wounded.

Mr. Dubs was understood to have been killed during the attack on the hotel, but it was not known whether the kidnappers or the troops' bullets killed him.

Ambassador Adolf Dubs

Though the motives of the kidnappers are not clear, the incident would seem to have been an attempt by the growing opposition to the Taraki regime which took power in a coup d'etat last April to draw in the U.S. in their attempt to overthrow the Government.

President Taraki has received heavy financial and military support from the Soviet Union. The murder does not therefore seem to have any connection with the attack on the U.S. embassy in Tehran though Moslem opponents of the Afghan regime have no doubt drawn heart from the success of Ayatollah Khomeini in neighbouring Iran.

In Washington, a State Department spokesman said the U.S. had asked the Afghan government to negotiate with the kidnappers to save Mr. Dubs' life but its request went unheeded.

In recent months the Afghan regime is reported to have employed tanks and aircraft in operations against insurgent tribal forces in the eastern provinces. Some 20,000 Pathan refugees have fled across the border into Pakistan. The Pakistan government, which is concerned at having a pro-Soviet regime on its border, has denied providing military help to opponents of President Taraki though reporters visiting the border claim to have seen Afghan insurgents being trained in camps there.

Yesterday's incident is further evidence of the growing strength of the insurgency. In skirmishes rebels have claimed to have killed over 1,000 Afghan soldiers, though the figure is likely to be exaggerated.

Chris Sherwell adds from Islamabad: Neither of the two extreme Moslem rebel groups fighting for the overthrow of the Taraki regime in Afghanistan had claimed responsibility for the Kabul attack by late last night. An official of one group, the Jamiat I Islami or Islamic Brotherhood, said he knew nothing of the incident.

Cairo sends military aid to Oman

By Michael Tingay

EGYPT IS sending 200 military specialists to Oman to bolster the Sultan's armed forces and replace a similar number of Iranian troops who are being withdrawn on orders from Tehran, according to Gulf security officials.

The Egyptians, some of whom have already arrived, will be based at Salalah in the southern Dhofar region, where an insurgency supported by South Yemen officially ended three years ago. Iranian troops who fought for the Sultan were officially withdrawn about a year later, but some 200 remained.

Tehran's decision to withdraw the troops, foreshadowed by Ayatollah Khomeini's statement last year that no more Iranian troops would serve overseas, highlights the vulnerability of Oman. Apart from the threat of renewed insurgency in Dhofar by the Popular Front for the Liberation of Oman (PFLO), there is a risk of a revival of activities in the main part of Oman by Marxists Leninist guerrillas.

There is also the possibility of an Islamic reaction against some of the modernising tendencies and alleged corruption of the Sultan's regime.

The army, air force and navy of the Sultan's armed forces are commanded by regular British officers, and the army alone has 150 British officers and NCOs on secondment as well as a further 300 on contract. There are also Jordanian personnel in senior advisory positions.

The advent of Egyptian troops on the Arabian peninsular, the first in any numbers since President Nasser withdrew his men from North Yemen in 1967, is significant. It demonstrates President Sadat's contention which he has been impressing on the U.S., that Egypt not Israel can best combat what is seen as the Soviet threat in the region.

South Africa emigration doubles

BY QUENTIN PEEL IN JOHANNESBURG

SOUTH AFRICA suffered a net loss of more than 2,500 emigrants last year, more than double the net exodus recorded in 1977. But for a large inflow of immigrants from neighbouring Rhodesia, the figure would have been more than 11,000.

The latest figures released in Parliament are a reflection of the slack South African economy and continuing fears about political stability. They also suggest that the shortage of skilled labour is likely to become acute without major efforts to improve the training and promotion prospects of black workers.

In the first 11 months of last year, there was a net outflow of every category of professional worker, as well as of managerial workers and production workers. Only in the agriculture, clerical, sales and service sectors was there net immigration.

Total emigration for the year amounted to 20,613, while immigration came to 18,104. Of the immigrants, more than 47 per cent, or 8,595, came from Rhodesia, Mr. Hennie Smit, the Minister of Statistics, disclosed. However, the rate of the exodus declined appreciably in the latter half of the year, although there was still a net outflow in December.

Detailed figures for the first 11 months of the year show that Britain remained the most popular destination for emigrants, receiving 5,794 or 43 per cent. It was also the second largest source of South African immigrants after Rhodesia, providing more than 2,900. The second most popular destination was Australia, where 1,600 South Africans (11.8 per cent) went to settle, followed by West Germany (808), the U.S. (725) and Canada (717).

The slump in South Africa's traditionally high immigration—there were net gains of 40,209 and 30,598 in 1975 and 1976 respectively—is causing growing concern among economic planners. Immigration always has provided a disproportionate number of skilled workers. Indeed, recent reports suggest that the trend has been accelerating, with professional men making up 35 per cent of immigrants between 1970 and 1977, compared with only 19 per cent from 1963-69.

Last year's figures show that there was a net loss of 312 engineers, 150 accountants, 129 doctors and 64 educationists in the first 11 months.

Uncertainty over Namibia diamonds

BY PAUL CHEESERIGHT, RECENTLY IN ORANJEMUND

WHATEVER THE final form of the political settlement in Namibia (South West Africa), the most important single issue facing any new government will be its relationship with Consolidated Diamond Mines of South West Africa (CDM), the wholly owned subsidiary of De Beers Consolidated Mines.

CDM occupies a pivotal place in the Namibian economy. In the year to March 1978, according to official figures, the company paid R73.1m (£42.42m) in taxes, almost 40 per cent of total government revenue of R189.49m. In the year to next March, payments are expected to climb to R163m, out of expected total government revenue of R293.7m.

Looked at from another angle, payments to the State by CDM between 1974 and 1977 ranged between 62.3 and 67.0 per cent of mining profits. In 1977, CDM accounted for 22 per cent of De Deers' net profits, earning R137.1m.

CDM is the biggest producer of gem diamonds the world has ever known. Between 90 and 95 per cent of the diamonds produced are of gem quality and thus the subject of sustained demand.

Production in 1977 reached 2m carats as new plant came onstream, but the 1978 figure is expected to show a slight fall to about 1.9m carats. The mining takes place on a desert strip, flanked by the Atlantic on the west and the Richtersveld escarpment on the east.

The southermost point is the Orange River, the border with South Africa, and the mining area stretches up to the north for about 100 km, part of the Sperrgebiet or forbidden area, originally sealed off from public gaze by the German colonial administration more than 50 years ago.

The CDM mining concession is a state within a state, remote from the politics of Windhoek, the Namibian capital, and the subject of little local political comment. This remoteness has muted concern about the future of CDM's white employees, many of whom do not regard Namibia as their home.

It is widely assumed that the majority of CDM's 6,000 black employees, mainly from the Ovambo region in the north, are supporters of the South West Africa People's Organisation (SWAPO). Ovamboland is a SWAPO stronghold.

SWAPO has emerged internationally as the most influential of the Namibian political groupings: whether it will emerge nationally as the most powerful remains to be seen. If it does, it could place a question mark over De Beers control of CDM, since SWAPO advocates a considerable degree of State control.

Although the CDM operation is basically simple—earthmoving on a grand scale—it works only because sophisticated management techniques are applied with precision. No other group, no other country, has De Beers experience.

But an attempt to renegotiate the terms under which CDM operates would not be a surprise. It is conceivable that SWAPO would seek an equity stake in CDM, in much the same way as the Botswana Government has negotiated participation in another De Beers diamond mine at Jwaneng.

A change in the tax regime is also possible. Although the level of payments the company makes is high, it is lower than the top level of taxation paid by some South African gold mines, where rates run up to 75 per cent.

At present the State imposts comprise a diamond export duty of 10 per cent, a diamond profits tax of 15 per cent, a diamond mining tax of 45 per cent (which can be set against profits tax), plus a surcharge running at 10 per cent of the diamond mining tax. There is also a non-resident shareholders' tax levied at the rate of 12.5 per cent of all income earned within Namibia.

At the very least it seems likely that any new government would seek to exercise a closer supervision of CDM activities. While the existence of the Sperrgebiet is not a threat to State sovereignty—any diamond mining operation needs to be surrounded by a security net to prevent smuggling and illicit sales—the State is likely to want quick exploitation of any new discoveries in the area.

De Beers has stepped up its prospecting in the Sperrgebiet and has made a commitment to the emerging state by appropriating R25m for diversifying its activities in Namibia outside the diamond industry.

Israel weapons policy reversal

BY DAVID LENNON IN TEL AVIV

ISRAEL is prepared to cut its arms requirement from the U.S. by up to 25 per cent if a peace agreement is signed with Egypt, Mr. Harold Brown, the U.S. Defence Secretary was told during discussions at the Defence Ministry here.

U.S. officials expressed surprise at this reversal in Israeli policy. For the past year Israel had been pressing Washington to approve a large-scale long-term arms procurement programme which the U.S. considered in excess of Israel's needs.

Israel has now cancelled that programme and presented U.S. officials with a new programme, based less on weapon quantities and more on sophisticated systems.

Israel is the third stop on a four nation tour by Mr. Brown designed to reassure pro-Western Middle East States of U.S. support for their security needs in the wake of the Iranian revolution.

With the U.S. reassessing the Western alliance in the Middle East, Israel has offered to place some of its military facilities at the disposal of the U.S. forces in the region. Unconfirmed reports speak of Israel providing naval facilities at Haifa, and of the servicing of U.S. Sixth Fleet aircraft by the Israeli aircraft industry.

One reason for this offer is that Israel is disturbed by the possibility that the U.S. will step up its arms supplies to Saudi Arabia and Egypt to compensate for the loss of Iran in the Western alliance in the region.

Sudan in talks with Ethiopia

BY JAMES BUXTON

THE LEADERS of Ethiopia and Sudan are holding a summit meeting in Freetown, Sierra Leone today which could have momentous consequences for the Horn of Africa. The key issue between the two countries, which have had strained relations since 1974, is the future of Ethiopia's northern province of Eritrea.

Ethiopian forces have in the past three months inflicted severe defeats on the guerrilla forces which have been fighting for Eritrea's independence for 18 years. Now President Jaafar Mohammed Nimairi of Sudan must choose between continuing to allow the Eritreans to supply their remaining guerrilla operations from Sudanese soil or to guide them towards a negotiated settlement with Col. Mengistu Haile Mariam, the Ethiopian leader.

Last month the two main Eritrean guerrilla groups, the Eritrean Liberation Front and the Eritrean Peoples Liberation Front, agreed to unite military and to form a joint delegation to negotiate the future of the province. There have been hints that they would now accept a settlement with Ethiopia that fell well short of their previous insistence on independence.

Sudan has several reasons for wanting a negotiated settlement of the Eritrean problem. The presence of enormous numbers of displaced Eritreans in Sudan—official figures run higher than 1m—is causing serious economic and social problems, and Government fears that the mainly left wing Eritreans may bolster the strength of the clandestine Sudan Communist party. There is a fear that the Eritreans could become a threat to stability similar to that posed by the Palestinians in the Middle East if they do not return to their country.

There have been unconfirmed reports in Khartoum that Ethiopia has been fomenting trouble across the border in the southern region of Sudan—where a 17 year civil war ended in 1972. Sudan has reason to fear Ethiopia's armed forces which in the past year and a half have grown with Russian help to be among the largest and most powerful in Africa: Sudan also wants to discuss Ethiopian plans for building dams on the Blue Nile — a major source of Sudan's and Egypt's water supply.

The Soviet Union is reported to be anxious to see the Eritreans, whom it has backed in the past, settle their differences with Addis Ababa. A more peaceful Eritrea would be a better hinterland for the naval facilities the Soviet Union is believed to want at Ethiopia's Red Sea ports.

Whether or not a settlement is possible depends on the terms Col. Mengistu is prepared to offer the Eritreans and what safeguards he is prepared to grant those who return to their country and accept some form of Ethiopian rule.

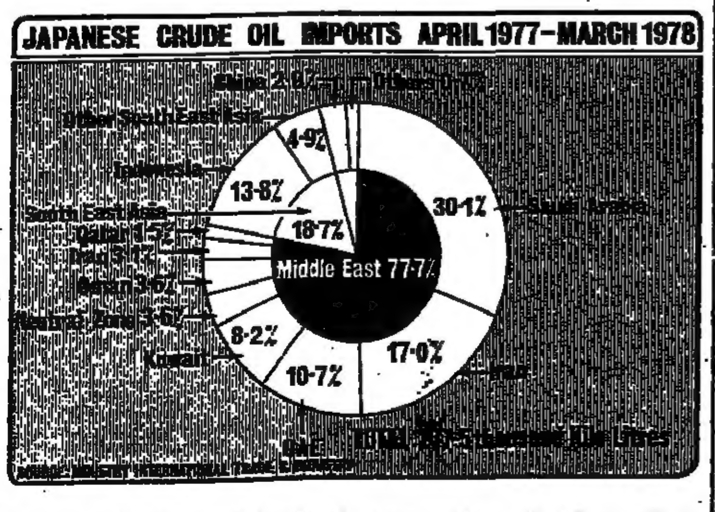
The summit meeting between Col. Mengistu and President Nimairi, the current chairman of the Organisation of African Unity, has been repeatedly postponed over the past year. But lately Sudan has shown considerable warmth towards Ethiopia, and Sudanese journalists have written favourably about the Ethiopian revolution.

JAPANESE OIL SUPPLIES

Tokyo plays down the crisis

BY RICHARD C. HANSON IN TOKYO

THE JAPANESE GOVERNMENT, with memories of panic caused by the last energy crisis still fresh, is trying to avoid causing undue public alarm over the present uncertainty of future oil supplies from Iran. The effort has been largely successful, but has also obscured somewhat the extent to which Japan may suffer as a result.



This is the opinion of some oil men in Tokyo. While hopeful that production in Iran can be resumed at substantial levels, they remain worried that the Government may be soft-pedaling the problems that Japan will have to overcome.

Japan has oil stockpiles publicly estimated at 85 days' supply in the hands of private companies with an additional seven days' supply held by the Government in tankers leased from the private sector (the Government import programme was begun mostly to help lessen Japan's external trade surplus).

Actually, the often quoted stockpile figures are misleading. About forty-five days of the reserves are "in market" stocks and represent the bare minimum for the oil industry before the lights start going out. This leaves true reserves of about 40 days, which is expected to drop to 35 days by the end of March.

The Government originally intended to boost the minimum legal limit for private sector stockpile from 80 to 85 days (actual reserves of 35 days to 40) from April this year and to 90 days next year. This plan has been suspended because of the sudden tightening of supplies world wide, and the legal limit will come under review in March.

Japan, before shipments stopped in December, bought 17 per cent of its oil from Iran. The Ministry of International Trade and Industry (MITI) says that oil imports for the January-March quarter will total about 72m kilolitres or just about last year's imports but somewhat below the original plan. MITI declines (perhaps deliberately) to project what might happen to imports in the second quarter. This is understandable since the oil companies themselves do not know yet how they will make up for the loss of Iranian production.

The Japanese are cautiously saying they expect it may be possible for Iran eventually to resume production at about 3m barrels per day, or half the peak levels. There has been no concrete evidence that Iran will do this—and the start-up of production would take several weeks. Oil company officials say that Japan would need about 4m barrels per day output in Iran in order to meet domestic needs comfortably.

Japanese oil concerns have so far increased prices of oil products by small amounts. The timing of the Iranian cutoff, however, coincided with increased demand for kerosene, diesel and grade A heavy fuel oil as a result of changes in truck transport load limits and increased use of high consumption oil heaters in Japanese homes.

The Japanese consumer will be faced with higher prices on scarcer fuels by next winter. To make matters worse for the consumer the Government will impose a 25 per cent increase on the gasoline tax from April.

AMERICAN NEWS

WORLD TRADE NEWS

New York State rejects insurance market plans

BY STEWART FLEMING IN NEW YORK

THE OPENING of the proposed New York Insurance Exchange could be delayed or even prevented by a New York State Senate decision yesterday to *reject the exchange's proposed* constitution and bylaws.

The vote reflects mounting concern *within the Senate's* insurance committee that customers of the exchange will not have adequate protection against an insurance syndicate *member's insolvency and unease* about the structures proposed for governing the new insurance market.

Talks have started again on *compromise* agreements and new proposals could be put before the State Legislature *next Tuesday.*

The insurance exchange plan is designed to allow New York to develop a rival market to Lloyd's of London and organisations in other financial centres.

The New York State Insurance *Commissioner has* estimated that such a market could create 14,000 jobs.

Legislation passed last year to allow development of the *exchange provided* that either of the two houses of the State Legislature could reject its by-laws and constitution up to 45 days after they were *submitted for approval.*

That deadline runs out today. The exchange was scheduled to start operating *on April 1.*

Senator John Dunne, Chairman of the Senate Insurance Committee, said yesterday that he hoped a compromise could *be reached. The Senator,* a republican, has led the attack on the Constitution, but was one of the sponsors of the original enabling legislation and still favours the exchange in principle.

There are serious flaws in the proposed byelaws and constitution, Senator Dunne says. The security fund, to pay off customers of a failed syndicate, can be drawn on only after all the assets of the syndicate have been realised, which could take months or years.

He argues that the composition of the governing board should be changed to reduce the influence of the members *elected by the syndicate,* and opposes proposals that only U.S. citizens could become members of the board, as this would be incompatible with the *international nature* of its business. Senate members rejected the legislation by 35 to 23, voting on party lines.

Warning given on oil-sharing

BY DAVID BUCHAN IN WASHINGTON

THE U.S. *would have to share* 300,000 barrels a day of oil with its West European partners in the International Energy Agency (IEA), if emergency arrangements set up after the 1973-74 oil embargo were *triggered by the cut in supplies* from Iran, Mr. John O'Leary, the Deputy Energy Secretary, said yesterday.

Mr. O'Leary said activation of the *oil-sharing arrangement* was not imminent, as it can only be invoked if oil consumption by one IEA member drops by 7 per cent or more. But the loss of *300,000 b/d, he wagned, would* all but wipe out the extra *400,000 b/d which Arab oil* producers were selling to the U.S. to help offset the 900,000 b/d which Iran used to supply.

Oil prices were already *beginning* to rise sharply, Mr. O'Leary said, with spot market prices reaching $24 a barrel and *very few sales below $20.* It was to prevent such competition for oil that the IEA's emergency system had been devised.

The Energy Department now *appears convinced that* the turmoil in Iran and its ramifications for other oil-exporting countries have hastened by perhaps as much as two years a *world-wide energy shortage.*

The feeling that Iran had been *"squandering its patrimony"* by producing too much oil, made a big contribution to the Iranian Revolution, he thought. Because of this, he, like Dr. Schlesinger, did not foresee Iran exporting more than 3m or 4m b/d in the future, compared with nearly 6m b/d under the Shah.

Other producers, *notably* Saudi Arabia, were now studying the lessons of Iran. Although Saudi Arabia had the technical capacity almost to *double production b ythe late* 1980s, to 17m-18m b/d, Mr. O'Leary now thought it most unlikely.

Canadian pipeline delay blamed on U.S.

BY VICTOR MACKIE IN OTTAWA

DELAYS in the construction of the northern natural gas pipeline originate in the U.S., Mr. Mitchell Sharp, head of *the* Canadian Government's Northern Pipeline Agency said yesterday. He said that it now seems inevitable that Alaskan gas will not start to *flow* through the pipeline until mid-1984, 18 months behind schedule. The C$12bn (£5bn) project would pipe gas from Alaska through Canada *to the lower 48 states.*

"We are not conscious of any lag in our regulatory procedures that will cause any delay in the project," Mr. Sharp told a House of Commons committee. Canada had made its views known about the delays to Dr. James Schlesinger, the U.S. Energy Secretary. Mr. Sharp was confident that unresolved regulatory procedures in the U.S. would be cleared up soon.

Earlier this week the *North West Alaskan Pipeline* Company, the project's U.S. sponsor, said in Washington that the new 1984 target would be reached only if U.S. Government officials resolved a number of issues. The cost, originally estimated at C$10bn, would be boosted at the rate of C$3m a day by the new setback. Mr. Sharp said that Dr. Schlesinger had given *assurances that he would do* his best to cut through the red tape.

Fuel shortage cancels flights

BY JOHN WYLES IN NEW YORK

TIGHTENING fuel supplies *have prompted Texaco to ask* the 10 to 12 airlines it supplies at New York's Kennedy Airport to cut back voluntarily on their consumption of aviation fuel.

National Airlines has cancelled three of its daily services this week to Amsterdam, as a result. No other cancellations have yet been reported but it is *thought likely to affect other* airlines if they cannot load more fuel at other airports.

A spokesman for Texaco said yesterday that the problem at Kennedy was a reflection of the general tightening of fuel supplies caused by the Iranian crisis. The company was maintaining supplies at other U.S. air*ports but spot shortages* could not be ruled out. Texaco is operating its U.S. refineries at 5 per cent below capacity at present. The fuel bottleneck *emerges as U.S. airlines are* announcing a string of new services. Trans International Airlines yesterday revealed its new low cost service between New York, Amsterdam, Paris and Frankfurt.

Depending on the season, the one-way fare from New York to the three European cities will be $199 compared with standard economy summer fares of up to $411.

National Airlines yesterday *filed an application* to enter the New York to Los Angeles market, proposing a one-way economy fare of $125.

Bolivians seek UK loan

BY HUGH O'SHAUGHNESSY

A DELEGATION of left-wing Bolivian miners is in London *to ask for the reinstatement of* the £19m British loan for mining equipment and social needs which was cancelled in 1977 because of the human rights record of the former Government of Gen. Hugo Banzer.

Elections in Bolivia are scheduled for July 1, and it is argued that Britain should make the loan as a gesture of support for Bolivia's return to democracy.

The cancellation of the original deal by Mrs. Judith Hart, the Minister for Overseas Development, was *seen as a* political blow to Gen. Banzer, and helped provide the impetus for last year's elections. These were widely regarded as fraudulent, however, and led to the rise to power of Gen. Juan Pereda who, in turn, was over*thrown* last November by Gen. David Padilla. Gen. Padilla is now promising a free poll in July.

The Overseas Development Ministry is likely to want to review the loan after the run of swift changes in Bolivia's politics. A decision on the loan, which is strongly supported by *British mining machinery manu*facturers who would benefit from it, may not be made, however, until after the Bolivian elections.

M. Raymond Barre, the French Prime Minister (above) has ended a six-day visit to Canada during which he reassured both the Federal *Government* and the Quebec separatists

Perhaps the most tense moment came in Montreal yesterday

The ever-discreet M. Barre, after pausing for dramatic effect, said: "Long live the *French of Quebec*" (Vive les Francais du Quebec)—a far cry from President de Gaulle's rousing endorsement of Quebec separatism.

General defends Harrier deal

WASHINGTON—A U.S. General yesterday asked Congress to allow the Marines to buy the new version of the British Harrier jump jet. Marine Commandant General Louis Wilson told a *congressional committee* that the jump jets were needed to provide support for ground troops. A plan to buy the advanced model of the fighter *was* cancelled last month by the U.S. Defence Secretary, because it was too costly and too com*plicated.*

Reuter

Consumer spending fall seen

BY OUR NEW YORK CORRESPONDENT

DECLINING consumer spend*ing could soften the U.S.* economy more quickly than many economic forecasters are predicting, according to the Conference Board, a leading *business research organisation.*

In its monthly survey of consumer *confidence, the Board* says that while its consumer confidence index slipped only a shade in January to 92.6 from 94 in December, its survey of consumer buying plans was down sharply from 103.1 to 92.4, the third consecutive monthly decline.

Consumer confidence surveys have become steadily more pessimistic recently, in contrast to some of the more optimistic *forecasts* from the consumer goods manufacturers, notably the car industry.

Economists are watching consumer spending carefully because *of the leading role con*sumers have played in the past four years of economic growth.

Over this period consumer spending rose from around 50 per cent of Gross National Product to nearer 60 per cent *according to a study* from the San Fransisco Federal Reserve Board.

Much of this spending has been financed by borrowing and there are *growing fears* that consumers may soon stop buying as they see economic conditions deteriorate.

The Federal Reserve Board estimates that consumer debt repayments are taking up around 17.7 per cent of disposable income.

Home loan repayments are estimated at about 5.1 per cent *of disposable income, producing* a record total of 23 per cent.

Mr. Philip Caldwell, vice-chairman of the Ford motor company, yesterday implicitly supported the view that this debt burden could depress spending. He forecast that 14.8m cars and trucks should be sold this year, only about *half a million units less than* last year.

Turkey's importers use the back door

By Metin Munir in Ankara

THE *full* extent of illegal imports into Turkey has emerged from discussions with bankers and businessmen in the country. They estimate that up *to $2bn* worth of goods entered the country illicitly in 1978 compared with official imports of $4.5bn.

The same sources said that *the volume of goods coming in* to the country through double financing, customs bribery and plain smuggling had more than doubled during 1978 compared with the previous year and that the upward trend was continuing.

ABOUT $2bn goods were imported into Turkey in 1978.

Illegal imports have existed throughout Turkish history. Foreign exchange controls have *made unorthodox channels for* imports very lucrative. But in 1977 the trickle became a flood.

In February that year the Central Bank suspended foreign currency transfers for imports of goods apart from essentials such as crude oil, fertilizers and *pharmaceuticals. Demand* for imports, however, remained strong and profits reached unparalleled heights.

The recession and foreign *currency* famine continue and last year, say bankers, some of the biggest and most respectable companies apparently resorted to unorthodox imports.

The pool of black market foreign currency which is used to finance these imports comes from two sources: the savings and earnings of nearly 1m expatriate Turkish workers in Europe, and bank deposits abroad of Turks: those resident in Turkey *are forbidden by law* to make such deposits.

Hard cash

The centre of the market is *Istanbul. There are collecting* centres in West Germany, where the majority of the workers are concentrated, in Istanbul and in eastern towns like Kayseri and *Konya, where proceeds from* smuggling into Syria and Iran are gathered.

Hard cash is attracted to money merchants by the profit*able difference* in the *official* and black market values of the Turkish lira. Last week this was over 60 per cent: while the official rate for the pound is L50, the unofficial rate is L86. (This "sale price" includes the devaluation risk.)

The illegal market is dominated by a handful of big dealers in Istanbul's bustling Sirkeci district. Many people work for them, buying currency or finding them customers for the cash in exchange for a commission. There appears to be a 5 per cent profit margin, which is divided as the money changes *hands.*

The transaction is simple and based on trust. The dealer in Istanbul receives the Turkish lira *in* cash and orders his *foreign* bank *to* remit the foreign currency equivalent to the customer's numbered account at the contemporary black market exchange rate.

Although very large sums are involved, there appears to have been no case of swindling. "Illegal *things* have to be very honest," commented a dealer.

In addition, there have been almost no arrests for crimes in this field.

The most orthodox channel of unorthodox imports is "double financing." The Turkish importer places an order with his foreign supplier to whom he pays cash abroad *with* hard currency procured on the black market. He knows that his sup*plier will* not otherwise deliver, because Turkey is a major security risk. The importer also fulfils his legal obligation by filing an import order with the Central Bank *and depositing the* required amount of Turkish lira. He has thus double *financed—bought his* foreign currency twice. His pound cost him L50 at the Central Bank and L86 on the black market.

He knows that when the Central Bank makes *the* transfer his supplier will remit this to his numbered account. But in the meantime, the importer calculates his cost by incorporating both amounts he has paid.

Spare parts

A *double financier has calcu*lated that a double financed dollar officially worth TL25 costs the Turkish consumer TL150. When the importer sells, he also calculates the import duties, travel and other expenses, and profit.

"*This profit is at least* 100 per cent," an importer told me. "It can easily by 1,000 per cent or more depending on the scarcity of the commodity." He himself had sold spare parts costing TL100 at TL3,000.

Some old suppliers' debts are also being settled through double financing.

Turkey owes foreign suppliers more than $1bn not covered by export guarantee agencies and has so far done nothing about settling this debt.

The high cost aspect of double financing has harmful effects on the economy, now in its third year of crisis.

It fuels inflation, which ran at over 60 per cent last year. Secondly, because double financed goods are vastly underinvoiced, there is much tax evasion. Thirdly, fortunes are *made overnight, adding to con*spicuous spending and social tension.

"More millionaires were born in 1978 in Turkey than at any *other period of our republic,*" claimed an industrialist.

Britain hopes to conclude £10bn agreement in Peking

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE BRITISH Government hopes *to sign a £10bn economic* co-operation agreement with China in two weeks' time embracing both the sale of UK-made Harrier jump jets and the construction *of major coal, steel* and other projects.

The Government has said it will sell Harriers to China providing this *forms* part of a balanced package *with Britain* also exporting know-how and plant for other parts of China's industrialisation programme.

It is intended that the broad agreement, which would probably run to 1985, should provide the climax of a nine-day visit to Peking to be made by Mr. Eric Varley, Industry Secretary, and a delegation of ten leading British industrialists.

Mr. Varley starts his trip on Monday when he leaves for Singapore on his way to Hong Kong where he will hold meetings later next week to discuss *major projects* carried out by British contractors in the Colony.

He will arrive in Peking at the end of next week as the *official* guest of Vice Premier Wang Zhen (Wang Chen) and will also hold talks with Ministers responsible for foreign trade, aerospace, mineral developments and planning. He will also visit steelworks and coal mines.

The purpose of the visit is to see how far the Chinese Government is prepared to commit itself to sign fairly detailed agreements for projects such as *steelworks, coalmines,* power stations and other aircraft as well as the Harrier.

There may also be discussions about Britain selling other armaments such as warships and tanks. Senior representatives of both British Aerospace and British Shipbuilders will be *among* Mr. Varley's delegation. Possible railway contracts will also be discussed.

It is not thought that the opposition of Mr. Anthony Wedgwood Benn, Energy Secretary, and of other leading Labour Party Left-wingers to the sale of the Harrier to China will affect the British delegation's *negotiating position.*

The hope is that agreements covering projects such as steelworks and power stations would be added as protocols to the main economic agreement.

The issue of counter-trading will also be on the agenda for the *Peking talks.* The British Government has recently signed an agreement to collaborate in the development of China's non-ferrous mineral resources which it is thought could provide the finance to cover orders placed in the UK by China.

UK men's wear group eyes China

BY RHYS DAVID

CHESTER BARRIE the men's-wear group owned by Austin Reed, is hoping to persuade China's leaders to abandon their tunic-style dress and import top quality British clothing.

The group, which sells suits costing £200 and more, has asked the Chinese Embassy in London to pass on to the appropriate *ministry* in Peking an application to export its products to China.

Chester Barrie is pointing out that the mens wear in question is designed for and bought by leading figures in business, diplomacy and politics through*out the world and would* not therefore compete with China's own clothing industry.

The group says it will be aiming at China's top men as well as members of the foreign diplomatic corps and businessmen stationed in China.

Announcing the move, Austin Reed's chairman, Mr. Barry Reed, said yesterday: "Since China announced her new trading policy with the Western world, there has been a great activity in the heavy goods and ancillary technological services sectors. *But I believe there will* also be considerable relaxation with regard to consumer goods."

The group's attempts to open up trade with China come sig*nificantly at a time when other* sectors of the UK textile and clothing industry are expressing considerable concern over the likely increase in the next few years in China's own textile exports to the west.

Dr. Brian Smith, president of the British Textile Confederation, has recently written to Mr. John Smith, Trade Secretary, *urging him to make sure that* any EEC agreement with China keeps textile trade within the limits set in 1977. At that time a series of bilateral agreements were *reached* with *low-cost* suppliers.

Many companies within the industry in Europe are concerned that China will be *allowed to pay for its imports of* Western technological equipment with clothing exports.

U.S. to sell fighters to Switzerland

By Brij Khindaria in Stratsbourg

THE UNITED STATES has agreed to sell new fighter aircraft and heavy armoured equipment to neutral Switzer*land despite heavy cutbacks* ordered by President Carter on arms sales to countries outside the North Atlantic Treaty Alliance.

Swiss defence chief Rudolph Gnaegi said on his return from a visit *to Washington* that Switzerland, will buy 50 new Tiger combat planes, about 200 M-109 tanks, and a number of anti-tank missiles.

In addition Switzerland has received new orders from the United States, namely a $102m weapons systems made by Swiss manufacturers under an off-set agreement reached in 1975 when the Swiss bought 72 *Tiger aircraft* worth $450m.

The Americans then promised to allow the Swiss to build $135m worth of equipment by 1983 in order to reduce Switzerland's import bill, but the American orders totalled only $63m at the end of last year.

Saab-Valmet law agreed

BY LANCE KEYWORTH IN HELSINKI

PARLIAMENT has finally approved by a comfortable majority the contentious law *on tax concessions to promote* productive activity. It enables the Government to keep Finland's only car manufacturer, Saab-Valmet, in a favoured *position for another 10 years.*

The only change that Parliament made in the Government's Bill was to tack on an "equality clause." This requires the *Government* to "take note of the operating conditions for other companies in the production sector in question."

In other words, they should be treated impartially and equally as regards tax relief.

As there is no other company making cars in Finland, nor likely to be any, this proviso *is a mere formality.*

It enabled the non-Socialist parties to swallow the Bill whole on the grounds that Saab-Valmet needs special protection to maintain employment.

Car importers have thus lost the campaign they promoted against the Bill when the car trade began to enter bad times a couple of years ago. Their position will worsen when Saab-Valmet starts subsidised assembly of three Chrysler models as well as the Saabs later this year.

Petrochemical plant talks

BY CHRISTOPHER LORENZ

SAUDI ARABIA is hoping to finalise a petrochemical joint venture this year with one or more of the world's leading chemical companies, a senior Minister from the Kingdom has told a group of European businessmen in Davos, Switzerland.

Showing signs of impatience with his potential petrochemical partners, Dr. Faisal S. Al-Bashir, the Deputy Minister of Planning, *said* the current five-year plan saw the setting up of a Saudi petrochemicals industry in 1979.

If by the end of the year he *had not signed* a joint venture agreement, "I will say I am slipping," Dr. Al-Bashir said.

Mobil, Shell, Exxon, Dow and Mitsubishi have all been in negotiations with the Saudi Arabian Basic Industries Corporation but none has yet entered into a full commitment on proposed 50:50 joint ventures on which feasibility studies have been undertaken.

Major lines to merge Mideast services

By Ian Hargreaves, Shipping Correspondent

THREE MAJOR European shipping lines serving the Middle East have decided to join forces in order to reduce capacity operating to the area.

Nedlloyd of Holland, Hansa of Bremen and CMB of Antwerp will integrate their services with effect from March. *Together,* they will form the largest shipping service to the Middle East.

Nedlloyd said that the decision to rationalise the three operations had been taken after a long period of pressure on rates caused by excess shipping capacity. These problems had been made worse by the troubles in Iran.

The lines were determined to resist pressure to cut their rates below *already* depressed levels and they would continue to operate within the existing shipping conference.

A number of newly-built ships will take part in the service and two others are nearing completion in Dutch and Japanese yards.

Roll-on roll-off, container and conventional multi-purpose ships will be used in the integrated service. There will be a central *marketing* office in Leiden, Holland, but each line will also maintain its individual sales and agency arrangements.

● George Clark and NEM, the *Tyneside marine* engine builder, is in the final stage of talks about a £20m contract with Scaltrain, the U.S. shipping corporation, Lynton McLain *writes.*

Portugal in crisis on car qotas

By Jimmy Burns in Lisbon

THE PORTUGUESE Government has asked the EEC for a five-year extension of restrictive quotas on imported vehicles and parts to guarantee the survival of the crisis-torn Portuguese motor industry.

By the terms of a free trade agreement signed with the EEC in 1972, Portugal is committed to a total liberalisation of motor imports from January 1, 1980.

A new law for the Portuguese motor industry, drafted by the Ministry of Industry and already distributed for discussion among the major car companies here, proposes that restrictions on CBU and CKD units should remain operational until December 31, 1985.

The five years has been judged an adequate period in which Portugal's weak and uncompetitive assembly plants can be restructured to fit in with the needs of EEC membership.

Company sources suggest that an equally valid reason behind the ministry's proposal may be that the Portuguese Government wishes to guarantee the economic viability of a major investment at present being negotiated with Renault of France.

Valued at FFr 1.2bn when it was first accepted in principle by the Portuguese Government nearly three years ago.

MEXICAN TRADE

Coming to terms with oil wealth

BY WILLIAM CHISLETT IN MEXICO CITY

Mexico, a developing country *with a population of some 66m,* with a vast gulf between rich and poor, faces numerous problems as it starts to use the abundant oil revenue now coming in, but is already showing signs of reducing its trade deficit with the U.S., its *principal customer and supplier.*

The U.S. now makes 90 per cent of Mexico's 500,000 barrels of oil which are exported daily and the effect of this on the *trade balance between the two* countries can be seen at a glance.

In 1977 Mexico's crude exports to the U.S. were worth *$850m, last year about $1.9bn* and this year could be as much as $3bn. For 1980 they are calculated at around $4bn which means that by then, depending on the level of Mexico's imports, Mexico could have a trade surplus with the U.S.

Mexico's oil production is one of the main points of discussion during *President Carter's* current visit here. The U.S., as Sr. Jose Lopez Portillo, the Mexican President, said in an interview, is Mexico's natural client. *In the first nine months* of 1978 the U.S. took 70 per cent of Mexico's $3.5bn total exports. In the same period 58 per cent of Mexico's $5.3bn *total imports came from the* U.S.

Mexico's trade deficit with the U.S. at the end of the first three quarters of 1978 amounted *to $631m compared to $642m in* the same 1977 period—the higher 1978 figure reflects the rise in Mexican imports from the U.S. as industry recovered *from the 1976 devaluation of* the peso.

But if inbond transactions are taken into account then Mexico's deficit for the first nine months of 1978 was really $177m. Near the border with the U.S. there are many com*panies which carry out services* like making car components and jeans.

The trend developing shows that Mexico's oil exports to the U.S. are going to more than compensate for its rise in imports from the U.S. Certainly this will be the case for the immediate future, but then, Mexico could be back in deficit unless petrodollars are used to stimulate home industry, especially to build up a manufacturing industry.

Mexico's trade position will *be even rosier if agreement is* reached during the Carter visit for Mexico to sell natural gas to the U.S. At the moment the issue is shrouded in confusion with the Mexican *Government* maintaining that it has no gas to sell as it will all be used for *domestic purposes.*

Whether agreement over gas is reached remains to be seen, particularly as the U.S. says Mexico's price is too high. But *in the longer term as Mexico's* oil production rises—possibly to as much as 4m b/d by 1985—natural gas will have to be sold if it is not be flared in vast *quantities. This also fits in with* the U.S. line that it also has no urgency to reach agreement over gas.

Mexico's proximity to the U.S. *means that delivery is fast* and transport costs low. This explains to a very large extent why Mexico can sell its oil at higher than OPEC prices.

Just as the U.S. will always be Mexico's main customer, so it is true that the U.S. cannot fail to remain Mexico's principal supplier. The Mexican market is *primarily a producer goods* market with three-quarters of imports being capital goods. And as the Mexican economy expands with the oil wealth, possibly by as much as ten per cent a year after 1982, according to the Industry Minister, so the need for capital goods will be even greater unless Mexican industry is capable of meeting the country's requirements.

Total cumulative U.S. invest*ment stood at $4.3bn at the end* of 1978, towering way above other countries whose presence here is not very strong. During 1978, new investment was estimated at about $340m and with foreign business confidence increasing in Mexico, new investment this year could be as much as $450m.

Mexico has finally expressed interest in joining GATT after many years of keeping the subject at arm's length. This long standing issue should be raised during the Carter visit. *Mexican officials still feel at this* stage in the country's development that the disadvantages of joining outweigh the advantages. But the fact that the Government is soul-searching over GATT highlights the advances which the country is making to come out *from* behind its protectionism.

Arts Council grant may rise to £61m

BY JOHN FALDING

THE GOVERNMENT announced plans yesterday to increase its grant to the Arts Council for 1979-80 by 25 per cent to a total of £61.3m.

Mr. Kenneth Robinson, chairman of the Arts Council, said: "The grant should make possible a limited expansion of activity in certain areas in place of the general cutback that had at one time been feared."

The increase will have to cover new capital commitments in the coming year. However, "in the present climate affecting public expenditure, the Government has dealt very fairly with the arts."

The grant-in-aid to the Arts Council includes £1m for the Covent Garden Building Appeal Fund. It will also enable the National Theatre to take over the leasehold of its premises.

Support will be increased for municipal theatres in Liverpool, Birmingham, Bristol and Manchester to complete a circuit of houses suitable for touring productions by the National Theatre.

The grants were announced in the Commons by Mrs. Shirley Williams, Secretary for Education and Science, in a written reply to Mr. George Strauss, MP for Lambeth, Vauxhall.

In separate grants, the British Film Institute will receive £4.7m and the Crafts Advisory Committee £1.1m, a 26 per cent increase. The grant to the Area Museums Council is up 12 per cent at £1.3m.

Purchase grants to national museums and galleries have risen by an average of 56.3 per cent. The National Gallery receives £2.7m, the Tate £1.3m, the British Museum £1m, the Victoria and Albert £950,000, the Science Museum £104,000 and the National Portrait Gallery £244,000.

Provincial and university museums will benefit from increases in acquisition funds to the Victoria and Albert Museum (£1.3m) and the Science Museum (£130,000).

In spite of the increases in purchase grants, the Government will still consider special purchase grants for galleries and museums. The amounts await approval by Parliament and might be affected by public spending cuts.

Anthony Thorncroft writes: The first Phase of the Covent Garden project involves building rehearsal and dressing rooms at a cost of £7.8m. With the Government's help, the appeal has raised £4.3m, in 18 months.

Contributors include the Greater London Council, which has promised an eventual £1m if the Royal Opera House can raise £4m elsewhere; the Linbury Trust, which has made a big donation; the Annenburg Fund of the U.S., which has given £108,000; the Midland Bank and Sainsbury Charitable Fund, £75,000 each; Marks and Spencer, £85,000; and the Baring Foundation and Rank Charitable Trust, which have promised £50,000 each.

Lord Drogheda and Sir Claus Moser, joint chairmen of the appeal, are confident that the £7.8m will be raised. Building is to start in the autumn.

The front of the house and the auditorium will not be changed but the new building should improve efficiency and save money and improve life for artists and technicians who have been coping with cramped, out-dated backstage conditions for many years.

Ford car output falls by 20%

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FORD'S average weekly production of cars fell by more than 20 per cent in 1978 compared with the previous year while its output of commercial vehicles fell by 28.25 per cent.

The statistics, compiled by the Society of Motor Manufacturers and Traders, starkly illustrate the impact on Ford's performance of the nine-week strike last autumn.

The group's average weekly output of cars fell from 7,820 in 1977 to 6,239 last year and the comparable figures for commercial vehicles were 2,853 and 2,047.

Against this, total recorded production of cars in the UK fell 7 per cent from 1,315,972 in 1977 to 1,222,949 in 1978 and output of commercial vehicles slipped 3.4 per cent from 398,268 to 384,518.

BL, formerly British Leyland, suffered only a marginal decline in commercial vehicle output between 1977 and 1978 with the weekly average down from 2,555 to 2,528. Its car production fell 4.3 per cent from an average of 12,293 to 1,762 a week.

Within that total the volume car division, Austin Morris, showed a fall from 9,642 to 8,967 a week while Jaguar Rover Triumph improved from 2,651 to 2,795.

The story at Vauxhall, the General Motors subsidiary, was of a steep fall in car production—by 9.8 per cent from 1,793 to 1,616 a week—but a sharp climb in output of commercials, up by 28 per cent from 1,764 to 2,259.

Chrysler (UK), now part of the PSA Peugeot group, last year recovered from depressed 1977 levels of output. Weekly car production rose 15.9 per cent from 3,259 to 3,778 while commercial vehicle output was up 12.6 per cent from 301 to 339.

Dump owners lose appeal

LAND RECLAMATION has lost its appeal to use a road to its rubbish dump in Pitsea, Essex. The Appeal Court supported a High Court ruling that the company cannot continue using the only road to the site on which it dumps 180,000 tons of waste a year.

The appeal judges said a 1970 agreement allowing the company use of the road for seven years did not give it the right to renew the agreement. The company can appeal to the House of Lords.

Engineering company to sack 60 staff

By Hazel Duffy, Industrial Correspondent

BULL MOTORS, the Ipswich engineering company taken over by the National Enterprise Board two years ago, is to make some of its employees redundant in order to cut losses.

The announcement was made yesterday by Mr. David Ball, brought in as managing director at the beginning of the year to help turn the company round. It seems likely that up to 60 of the 325 employees will lose their jobs.

Investment

The company was making losses of £600,000 annually when it was bought by the NEB from its American parent, A. O. Smith. There has been no improvement since then and orders for 1979 do not look very different from those of last year.

The NEB has invested £530,000 in Bull Motors for the development of new industrial products, but it will be some time before the first of these can be launched.

Mr. Ball believes, however, that the company has a bright future once the losses have been stemmed.

Home routes boost for British Airways

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS has converted its air services in the UK from losses to profits over the past five years in spite of a four-fold rise in fuel prices and other cost increases.

But Mr. Ross Stainton, deputy chairman and chief executive of British Airways, admitted to a Commons select committee yesterday that the operating performance of domestic air services had deteriorated recently as a result of the wing-crack problem in Trident Three jets. But additional aircraft had now been transferred from international flights.

The airline also had far-reaching plans for further improvements, with about £200m worth of new aircraft, out of the total fleet re-equipment bill of £1bn, being allocated to domestic operations.

Domestic air routes would be among the first to benefit from the purchase of 19 Boeing 737s, of which deliveries start in 1980. Some of the 19 new Boeing 757s would be used on the Shuttle services between London and Glasgow and Edinburgh.

Mr. Stainton said BA's domestic air fares were good value for money. "We have managed to hold fares below the UK post-war retail price index level, and they also compare well with those in other European countries in relation to earnings.

"Similarly, they compare well with fares charged on UK routes by independent British airlines."

Mr. Stainton said that BA's domestic turnover was about £150m a year, which made it one of the biggest British businesses in its own right.

But he also made it clear that the airline's future profitability depended upon improved labour productivity and adequate capacity being made available at British airports. "In these directions, Government action can make a major contribution," he said.

BBC plans to help teenagers

THE BBC is planning a new range of television and radio programmes for young people.

It will include cartoons, pop music, and features on welfare rights, self-help groups and job opportunities.

The BBC announced its plans today after publication of a report saying that radio and TV could play a greater part in the development of teenagers.

The report—called Broadcasting and Youth—was commissioned by the BBC, the IBA and others to find out what broadcasting might do to meet the needs of youngsters.

Drivers' dispute 'cost Port of Liverpool £1m'

BY RHYS DAVID

THE PORT of Liverpool, struggling to maintain profitability against a background of depressed world trade and heavy redundancy payments, claims to have lost more than £1m as a result of the lorry drivers' strike.

The port, which was blockaded for much of the time, says the losses came from the diversion of ships to other ports, mainly on the Continent; from fall-back pay for dockers who could not be found work; through additional costs as a result of quay congestion, and through the waiving of quay rent charges to maintain goodwill.

Mr. James Fitzpatrick, the port's managing director, said yesterday that machinery would have to be created so that ports heavily dependent on road haulage would be safeguarded in disputes involving drivers.

"In this dispute everyone has lost. The dockers have lost wages, the dock company has lost valuable revenue which would have been used to improve facilities for all who work in and use the port—including the lorry drivers. The shipping companies have lost out too," he said.

The losses come when the Mersey Docks and Harbour Company is having to find finance—possibly £3m—from its own resources to meet severance payments for an estimated 500 dockers who are surplus to requirements because of the decline in general cargo traffic.

The payments, together with investments, will have to come out of profits which fell back to £1.8m in the first half of 1978, compared with figures of £4.6m for the whole of 1977 and £5.2m in 1976.

The port is continuing to win some new trade, however, and is to establish a new exclusive user berth at its Canada Dock to handle a new contract to import potatoes from Egypt. The contract, which will last for about three months from mid-March, follows efforts by the port last year to win a bigger share of UK trade in perishables.

Liverpool's Royal Seaforth grain terminal also ended 1978 with a record throughput of 1.7m tonnes, an increase of nearly 150,000 tonnes on the previous year. Corn and maize cargoes were down by 250,000 tonnes but wheat shipments were up by the same amount and an extra 140,000 tonnes of soya arrived.

Debenhams cleared of sex discrimination

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE EQUAL Opportunities Commission has cleared the Debenhams stores group of any deliberate policy of unlawful discrimination against women seeking credit facilities.

But in a review of the store's credit procedures the commission found "considerable ignorance and uncertainty about the provisions of the Sex Discrimination Act" and concluded that credit facilities could be discriminatory if operated by untrained staff.

The commission yesterday published a guide for retailers to avoid sex discrimination when offering credit facilities.

Its decision to review Debenhams' credit terms was made as a result of allegations of discrimination made by women customers. Instead of a formal investigation under the Sex Discrimination Act, the commission and Debenhams decided to carry out a joint review.

A study of a random sample of credit applications showed examples of credit being granted unconditionally to married men who had failed to score the required points on the Debenhams credit system, but no examples were found of married women having received equally favourable treatment.

The commission also found that the Debenhams training system was unable to cope with the implementation of new statutory provisions such as laid down by the Sex Discrimination Act. In addition, it found "a credit-sanctioning scheme which was clearly open to misinterpretation in a way conducive to sex discrimination by anyone not fully trained and alerted to the need for its avoidance."

Debenhams has decided, following the commission's findings, to change its credit procedures to make sure there is no discrimination against women customers.

The commission's review stressed its concern at discrimination being indirectly operated against women by companies which do not fully understand the terms of sex discrimination legislation. But the commission hopes that its review of Debenhams' credit procedures will force other credit operations to ensure that their credit facilities do not discriminate — either directly or indirectly.

Works managers hit at education standards

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

INCREASING Left-wing sentiments among teachers and falling standards of literacy and numeracy were blamed by the Institution of Works Managers yesterday for Britain's deteriorating industrial performance.

"Attitudes in school show less respect for the established institutions of law, order and authority, which reflects in industry a consequent lack of discipline and minimal self-motivation," said Mr. Basil Watkins, the Institution's national chairman, in its reply to a Government discussion paper on industry, education and management.

Mr. Watkins added that industry needed its entrants to have a good basic education.

But such was the evidence of a decline in standards that in many cases it was necessary to give young entrants basic instruction in the Three Rs.

The institution put forward a six point plan to overcome the present "disastrous situation."

1. Schools should give regular lessons on modern industry and its contribution to the national wealth.
2. Programmes of lectures by industrialists should be set up urgently.
3. Local liaison committees of industrialists and educators should be established to advise on, develop, and review training for industry.
4. Frequent works visits should be organised to show youngsters all "appropriate aspects" of a company and the employment opportunities within it.
5. Courses should be arranged to enable all teachers to acquaint themselves with industry: a four-week initial course and a further week every two years should be required for careers teachers.
6. Courses giving pupils work experience should be available in their last year at school.

UK NEWS

Legal bid to halt pension merger

BY ERIC SHORT

SEVERAL former employees of Associated Electrical Industries now employed by General Electric Company and some pensioners of AEI, said yesterday they would take legal action to prevent the merger of the GEC and AEI pension funds.

GEC acquired AEI in 1968 after a bitterly disputed takeover battle. Changes have been made by GEC in the benefit structure of the AEI pension scheme to bring it in line with the GEC scheme.

The most important change was the introduction of an abatement clause under which the company pension paid was reduced by the amount of State pension. The AEI Pension Fund Members Action Committee was formed after this move in the early 1970s.

In July 1976, GEC proposed that AEI pension scheme members should transfer to the GEC scheme, and about 75 per cent did transfer. GEC has emphasised that it never intended to force members to transfer, and the move did not apply to pensioners.

Nevertheless, the Action Committee has disputed GEC's right to take this action. It claimed, after consulting Counsel, that it was in breach of the trust deed.

The cause of the dispute appears to be that in making the transfer for each member, GEC is switching that member's share of the surplus in the pension fund. The Action Committee feels that all the surplus should be left in the fund.

GEC has now asked the Occupational Pensions Board to make a modification order to the trust deed of the AEI pension scheme under Section 64 of the Social Security Pensions Act, 1973. Under this section, the Board can change the rules of a pension scheme provided certain very detailed conditions are met.

But the Action Committee says that if the Board issues such an order, it will apply to the High Court on the question of the trustees exceeding their powers.

Coal up 9% with risk of further rise

BY JOHN LLOYD

THE PRICE of coal will rise by about 9 per cent from March 1 and might rise further this year, the National Coal Board confirmed yesterday.

Such a rise, which had been suggested by Sir Derek Ezra, the board's chairman, last week, would reduce coal's ability to compete with oil for power stations and increase the need for further subsidies to the board from the Government.

The board said: "Although during the past three years the board has been able to hold its prices for a full year, at the general level of inflation the outlook at present is particularly uncertain. The board will keep the price of coal under review throughout the succeeding year."

As in previous years, the price of domestic coal will not be raised until November 1, to encourage consumers to stock coal during the summer.

From May 1, the board will introduce a new tariff for domestic coals. The present pricing policy, introduced in 1951, which broadly equalises costs, will be replaced with one based on the price of coal at the pit, plus transport costs.

As a result, prices to homes in mining areas will be reduced, while those living away from pits will pay more.

Contracts total £38.4m

FINANCIAL TIMES REPORTER

CONTRACTS worth a total of £38.4m have been placed by the National Coal Board with a number of mining machinery and steel fabrication companies.

The main group of contracts is worth £8.5m a year over three years, and has gone to companies manufacturing tubes, joints and fittings.

The companies include three divisions of the British Steel Corporation, the two Glasgow firms of CMT Steels and Supplies and John Inshaw, RMI (Forgings) of Wolverhampton, and Drillfield Engineering of Atherstone, Warwickshire.

Contracts for various types of rope, worth £5.6m, have been placed with companies including British Ropes of Doncaster, Bruntons (Musselburgh), and Firth Cleveland Ropes of Sheffield.

Rails and fishplate contracts worth £4.7m went to four companies, including BSC Track Products of Workington, while fabricated accessories for coal-face conveyors were worth £2.6m to seven companies, mainly based in the Midlands.

Stern questioned on loan to wife through Wilstar

BY JOHN MOORE

MR. WILLIAM STERN, the former property magnate whose personal bankruptcy totals a record £104m, disclosed yesterday during his bankruptcy examination that he was never asked by any bank to which he gave a guarantee whether he was already committed under guarantees to other banks.

"I was absolutely certain that it would have made no difference in their minds," he said.

Asked whether he ever volunteered the information, Mr. Stern replied that it may have come up in conversation.

The banks knew that, compared with the size of the guarantees he was giving on behalf of his companies, he had no substantial assets. They were not seeking financial security when they asked for guarantees, Mr. Stern said.

During the St. Valentine's Day examination at the London bankruptcy court, Mr. Stern was questioned closely by Mr. Lionel Swift Q.C., counsel for the bankruptcy trustee, Mr. George Augur, of Stoy Hayward, over the £458,000 which he advanced to his wife in the form of an interest-free loan from the Wilstar group of companies.

Mr. Swift asked Mr. Stern: "You were obtaining money on loan from Wilstar to meet your requirements and, merely for legal reasons, debiting it to Mrs. Stern?"

Mr. Stern replied: "I think the answer is yes."

More than £28,000 of the loans was used for the purchase of paintings. One of the paintings, by Millais, cost £17,000. Mr. Stern and his wife always chose the paintings together but he agreed that the invoices were in his name. It was quite normal in trade, he insisted, for the man of the house to be invoiced in that way.

Mr. Stern, who controlled a 180-company empire, told the court that his wife had sold their home in West Heath Avenue, Golders Green, London, and its contents to his father in 1974. When his father died, the property was transferred to a trust in New York for his children.

Mr. Stern still lives at the house.

The examination revealed that Mr. Stern has several consultancy arrangements with companies. One company, which imports furniture, luggage and other goods, pays Mr. Stern a £7,500 fee for his ability to speak Hungarian. It helped the company when purchases were being negotiated, said Mr. Stern.

A property company also pays him a consultancy fee. Mr. Stern effectively controls the company in that his opinions "carry a significant weight," but he does not have financial control.

Also detailed were a series of loans that Stern group companies had made to Mr. Stern's brother-in-law. One loan, of £311,000, was from Wilstar Securities.

Mr. Stern denied the suggestion that the loan, unsecured and interest-free, was of no benefit to Wilstar Securities. "There was very great benefit going to the root of Wilstar's existence," he said.

He and his brother-in-law had been in the Freshwater property group. His brother-in-law had helped him leave the company by arranging a separation agreement. In return he had promised to provide him with finance at a later date. The money was used for property deals.

"You must remember that, before the property market crash, he was a millionaire," explained Mr. Stern.

The registrar concluded that this was not a suitable case for granting Mr. Stern an automatic discharge from bankruptcy after five years, and if he wanted a discharge, he would have to make a personal application to the court.

UK company's technical deal with Hitachi

Financial Times Reporter

RECTIFIER Modules International, the Clacton-based components manufacturer, has signed a technical collaboration agreement with Hitachi of Japan.

Under the agreement, Hitachi is to provide technical and manufacturing skills and automated equipment for the production of high voltage glass semiconductor diodes.

Rectifier Modules is obtaining a cash investment of £1.2m from Technical Development Capital, a subsidiary of Finance for Industry, and from Barclay's Bank, with support from the Department of Industry.

Car and Motorcycle use doubles in 20 years

BY LYNTON McLAIN

CARS AND motor-cycles account for four-fifths of all travel in Britain, nearly double the proportion of 20 years ago, according to Transprt Department figures pubolished yesterday.

Rail accounted for 7 per cent of travel, compared with 18 per cent in 1957. The share taken by buses fell from 32 per cent to 11 per cent in 1977.

Six out of ten families have the regular use of a car and more than one family in 10 has two or more cars. Families in the Home Counties dominated the league table, with 16 per cent of families owning two or more cars.

A third of the families in that region did not own a car, compared with 54 per cent of families in Scotland — the most impoverished region for car ownership—which owned none. Only 7 per cent of families in Scotland owned two or mre cars.

The costs of running a car rose by 12½ per cent in 1977, the latest year covered. Meanwhile, the cost of rail travel rose by 18 per cent and bus and air travel costs rose by 13 per cent compared with the previous year.

Each family in Britain paid an average of £9.71 a week on transport in 1977, or 13½ per cent of all household spending. Four fifths of that went on buying and running private cars.

Transport Statistics Great Britain, 1967 to 1977 (Stationery Office, £5.75).

Computerised law library system sought by society

BY MAX WILKINSON

A COMPUTERISED information service for lawyers was proposed in a report yesterday from the Society for Computers and Law.

The report says such systems are used in North America and Europe. It believes a similar system should be established in the UK to make the law more accessible to professionals and others.

Otherwise, the report says, the provision of legal services to the public is likely to be priced out of the market because the volume of law is so great and the cost of researching it extremely high.

The society says: "Lawyers have difficulty in keeping themselves up to date and the majority of small and medium sized firms cannot afford the sophisticated library and other information resources which are available to the large city firms."

A computer-based library could serve the whole of the UK, and could be priced at a level which most legal practitioners could afford.

Commenting on an announcement in last June by Butterworths and Mead of the U.S. that it intends extending its American LEXIS system to include English law, the society says it believes LEXIS would not be the best system for the UK legal profession. It suggests an alternative system should be set up and controlled by the profession.

ICI projects shelved

BY SUE CAMERON

IMPERIAL Chemical Industries' organics division has shelved some of the investment projects it was due to put before the board over the next three years. ICI said yesterday that the move reflected "generally depressed trading conditions worldwide."

The group refused to say which projects had been affected or to give any details of their value. It stressed that organics investment plans already given financial sanction by the main Board would go ahead. The aim was "to concentrate the reduced resources available on the areas where we see the greatest likelihood of growth."

Feminist book collection tops £10,000 at Christie's

SALEROOM

BY ANTONY THORNCROFT

A COLLECTION of books relating to women and feminism sold for £10,664 at Christie's yesterday. The sale totalled £38,065.

A first, 1632, edition of The Lawes Resolutions of Womens Rights, made £380, while Edwards, the London dealer, bought an Essay in Defence of the Female Sex, written by Mary Astell in 1679, for £300.

In other lots Hammond, the London dealer, acquired a first edition of De Humani Corporis Fabrica, by Andreas Vesalius, 1543, for £5,600, and a first edition of Adam Smiths Wealth of Nations for £2,900.

In silver at Christie's, Schepers, a German dealer, paid £5,800 for four George II candlesticks by William Gould, and Christie's South Kensington saw a good price of £3,000 for The Corn Dolly, a painting by George Smith.

Sotheby's sold European pictures for £385,708. German buyers were prominent. The Trip to Market by Klombeek and Verboeckhoven, sold for £20,000, a record for the pair, beating the £11,000 in 1974. Another auction record was £14,800 for The Shopping List by Alexis van Hamme. A Dutch Street Scene, by Christian Dommersen, made £9,500.

In an oriental auction at Sotheby's Belgravia, Nash, a London dealer, paid £5,600 for a large ivory and lacquer shrine cabinet, made in the 1870s, and

Appliance imports cut by 25%

BY MAX WILKINSON

DOMESTIC APPLIANCE manufacturers have cut their imports of foreign machines by a quarter in the last year, says an industrial strategy report out today.

The domestic appliance sector working party of the National Economic Development Council also says that import penetration should decline to about 30 per cent in 1978 compared with 33 per cent in 1977.

Imports of certain categories of machines, however, remain very high. For example, 78 per cent of the 574,000 fridge-freezers sold in the UK in 1977 were imported. Of the 895,000 washing machines sold, 49 per cent were imported and the £12m a year dishwasher market is dominated by imports.

The working party recommends that UK manufacturers should continue to limit imports of foreign machines.

A year ago, it expressed alarm at the extent to which manufacturers were importing foreign machines from competitive companies for "vendor branding." That means they were putting a UK trade name on foreign machines and reselling them.

The report says that, if a manufacturer needs to sell a competitor's machine to fill out part of its range, it should try to make a deal with another UK-based company. Alternatively, it should make a reciprocal agreement with a foreign company by which UK produced goods were exported in exchange for the imports.

Competition is so fierce in the UK that margins on some appliances (particularly automatic washing machines) may be too low to encourage the investment needed to reduce import penetration to levels the working party hopes to see.

"The industry welcomes competition that is fair in terms of pricing, but there is a feeling that some of the UK's EEC partners are giving advantages to their home-based industries which run against the letter and spirit of the Treaty of Rome: these advantages consist partly of subsidies for production, partly of non-tariff barriers," the report says.

The total UK domestic appliance market in 1977 was given as £676m, of which £221m was imported. UK manufacturers produced £550m worth of goods, £104m worth of which was exported.

By 1983, the report estimates the UK market will be worth £811m. Its objective is for imports to be reduced to 24 per cent of the UK market while UK production rises to £767m.

The working party calls for increased co-operation between retailers and UK manufacturers, and it "looks to individual retailers to respond to that call by providing regular trade and product information to enable the appliance industry to be more competitive and responsive to consumer requirements."

The report also calls on management and trade unions to continue discussions on improving the productivity of the industry.

London's upper docks 'not viable'

BY IAN HARGREAVES

THE GOVERNMENT seems likely to face a renewed demand from the Port of London Authority for permission to close its upriver docks.

The authority said in written evidence to a committee of MPs yesterday that the docks would never be commercially viable, in spite of a £45m Government aid package agreed last year.

The environment sub-committee of the Commons Expenditure Committee is inquiring into the future of docklands.

The authority, which is in the final stages of constructing its five-year plan, has clearly concluded that the docks must go in spite of a conditional reprieve granted last summer by Mr. William Rodgers, Transport Secretary.

Complete closure would mean the loss of another 800 to 1,000 jobs on top of the 1,500 reduction already agreed.

Mr. John Presland, managing director of the authority, said that there would shortly be a joint review with trade unions of its progress towards solving its financial problems.

Mr. Presland refused to be drawn further on whether the docks closure was part of a definite plan and was accused by MPs of hedging the matter to the detriment of strategic planning in docklands.

According to the authority's latest projections the upper docks will lose more than £8m this year, or £13.5m if central service charges are taken into account.

The Government's policy, according to the authority, is that the India and Millwall and Royal Dock complexes will remain open "only as long as there is a realistic prospect that the revenue they can earn will cover their direct costs."

The financial outlook for the docks, and therefore that of the Port Authority as a whole, remained very poor.

Racal corruption appeal lost

TWO EXECUTIVES who gave bribes to win a £4m contract, and an Army officer who accepted them, yesterday lost appeals against their convictions of corruption.

The three received jail sentences at the Old Bailey on January 19 last year for corruptly helping the Racal BCC communications company to win a contract for the supply of tank radio equipment to the Shah of Iran's army.

Lord Justice Lawton, senior appeal judge, said: that "The courts must do what they can to stop the spread of corruption in public and commercial life."

Lieut-Col. David Randel, 43, of the Officers' Mess, Aldershot, formerly attached to the Ministry of Defence sales staff, was jailed for three years at the Old Bailey for corruptly accepting more than £14,000 from Racal executives Geoffrey Wellburn and Frank Nurdin. He did not appeal against sentence.

Wellburn, 42, managing director, of Treetops, Woodside Road, Beaconsfield, Bucks., lost his appeal against his 12-month suspended jail term.

Nurdin, 62, sales director, of Whitemeads, Barnet Road, Arkley, Herts., was jailed for 18 months. The appeal judges directed that, in view of his age and ill-health, his sentence should be regarded as having expired, and he was released.

The court rejected complaints by the three that the trial judge had misdirected the jury on the issue of corruption.

Post Office workers join industrial democracy test

BY JOHN LLOYD

ABOUT 80 per cent of area boards are now taking part in the Post Office's industrial democracy experiment.

Sir William Barlow, Post Office chairman, told the select committee on nationalised industries yesterday that these boards now had trade union representation.

He said that the other 20 per cent of boards had either not wished to operate the scheme or had not yet agreed on representation.

On board members' salaries, Sir William said that the Government had yet to make it clear what increases were to be paid to Post Office members under the first stage of rises approved last July.

He said: "It is quite wrong that board members should be kept waiting like this. The situation still is that they are paid less than some of their senior officials."

"I can't get a straight answer from Government on this, and I have written to my Secretary of State (Mr. Eric Varley, the Industry Secretary) about it. It seems unreasonable that it should take from July last year to now to settle the matter."

In response to questions from the select committee, Sir William said:

- The Post Office had no policy to close sub-post offices, though changing population trends sometimes meant that it was no longer possible to keep some offices open. Some 200 sub-post offices had been closed in the past year from a total of 21,000.
- The corporation was negotiating with the 200,000-strong Union of Post Office Workers on wage claims, but it did not yet know "where we stand on current pay policy." The aim was to come out with "a higher element of payment related to improved performance."
- The parcels service had made a "remarkable turnaround from being a disaster area," and was headed for a profit in this year.
- The programme for the new all-electronic System X exchanges had been speeded up, and it was now thought that the first exchanges would be brought into service in 1981, more than a year earlier than previous forecasts.
- The letter mechanisation programme had also been brought forward, and it was aimed to complete a system of 83 mechanised offices by 1983, also a year ahead of previous schedules.

Mr. Peter Benton, the director of the telecommunications business, told the committee that the name of the newly-formed System X marketing organisation would be United Telecommunications Systems.

Public must share blame for delays in the mail

FINANCIAL TIMES REPORTER

THE PUBLIC is as much to blame as the Post Office for letters being delayed, according to a report published yesterday by the Post Office Users National Council.

In 1977-78, about 7 per cent of first class letters were not delivered on the day after posting.

Of the 1m first class letters a day which are delayed, 200,000 go astray because of faulty addressing or posting in the wrong box, while a further 120,000 are never delivered because of wrong or illegible addressing.

The report says that the Post Office's addressing policy can cause confusion, but continues: "A share of the blame must equally rest with some of the Post Office's customers."

Over the year, 80m letters and parcels cannot be delivered because of bad addressing. The Post Office spends £5m annually on returning post to the sender.

The report recommends: a return to delivery of second class mail by the second working day instead of the present three days, together with an improvement in the weekend service; and the expansion of the registered post service to meet the need for a more reliable srvice than that provided by first class mail, while avoiding the expense of Expresspost and Datapost.

Sir William Barlow, the Post Office chairman, said it was "a fair report. I hope my colleagues in the Post Office will take notice of it."

It is thought that plans for an adaptation to the registered post service, where next day delivery is guaranteed for an extra payment, is now under consideration.

However, Mr. Cedric Briscoe, director of postal operations, said that it was not practical to deliver all second class letters within 48 hours. The cost of such a speed-up would be about £5m.

He said that 60 per cent of second class letters already arrived within 48 hours, and only 4 per cent—about 900,000 letters—failed to meet the three-day target.

Enterprise Board to take stake in Vickers' offshore interests

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE NATIONAL Enterprise Board is expected to announce next week that it is taking over the loss-making offshore engineering interests of the Vickers group in conjunction with Brown and Root, the American construction group, and Wilson Walton International.

Discussions about the future of the offshore engineering companies have been going on between Vickers and the NEB for some months.

Initially, Vickers is believed to have wanted to sell off only Vickers Oceanics, which is the principal operating company in the offshore engineering division, but the NEB is understood to have insisted that the other three companies — Vickers-Slingsby, Vickers-Intertek and Vickers Underwater Pipeline Engineering — were also included.

Vickers Oceanics has been the main contributor to the losses of the offshore engineering group—£6m annually for the past two years. In January, notice of redundancy was sent to 120 employees of the company, but some of these could be withdrawn now that negotiations with the NEB have been finalised.

Sir Peter Matthews, managing director of Vickers, talking about the venture into offshore engineering in the group's newspaper recently, admitted that "we developed a potential and a product for which there is insufficient demand."

Vickers Oceanics apart, the other companies in the division have developed a product which is about to be marketed. Vickers Slingsby has perhaps the strongest technology, with its development of one-man atmosphere submersibles. Trials of the Intertek method, which provides for an undersea wellhead chamber to be serviced by diver lock-out operation from a submersible, have been completed.

The underwater pipeline engineering interests are concerned with underwater welding techniques. Research and development expenditure incurred by these companies have been written off against profit.

Bank to sell Pommier stake

Financial Times Reporter

THE BANK of England has started negotiations to sell its stake of almost 83 per cent in Banque Pommier, a Paris-based private bank. The shareholding was acquired during the default of the London-based Edward Bates group in 1976, and the Bank of England said at the time that it did not intend to hang on to it indefinitely.

Fibres output rises substantially

BY RHYS DAVID

BRITAIN'S man-made fibres industry managed a substantial recovery in output last year with production, at 607,170 tonnes, exceeding the previous year's figure by about 10 per cent.

The increase was still not enough, however, to take the industry up to the output levels achieved in 1976, when it produced 617,000 tonnes, or 1974, when it reached 628,000 tonnes.

The industry, which has been affected by the poor demand from its textile customers, many of whom have been hit by strong competition from overseas fabrics and garments, ended the year on a stronger note than in the final quarter of 1977.

Although there was some falling away in December, total sales for the quarter were up 38 per cent on the final quarter of 1977, with sales of staple fibre rising 59 per cent and those of filament yarn by 15 per cent.

Filament yarn, affected over recent years by a fashion swing towards staple fibre garments, again represented a smaller proportion of total output by the industry, falling to just under 40 per cent, compared with 43.4 per cent a year earlier.

According to the British Man-Made Fibres Federation exports for the year, at 265,460 tonnes, represented 43.6 per cent of deliveries, compared with 41.5 per cent in 1977.

In its battle with the natural fibres, cotton and wool, the industry estimates that it managed to secure about 60 per cent of total mill consumption in 1978.

Trade deficit narrows slightly

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN'S visible trade deficit narrowed slightly in the three months to the end of January —to £160m, compared with £178m in the previous quarter. However, the trend was distorted by labour disputes.

An improvement of more than £100m in the surplus on erratic items was more than offset by the adverse effects of the industrial action at Ford. Otherwise there was a reduced deficit in trade in semi-manufactured goods other than chemicals and precious stones.

The strength of sterling was reflected in a 2½ per cent rise in export values on a three month comparison and a rise of only 1½ per cent in import values.

BALANCE OF TRADE

		Exports £m seasonally adjusted	Imports £m seasonally adjusted	Exports Volume seasonally adjusted 1975=100	Imports Volume seasonally adjusted 1975=100	Terms of trade *Unadjusted 1975=100	Oil balance £m.
1976		25,424	29,013	109.8	105.7	99.3	−3,973
1977		32,148	33,892	118.9	107.3	100.8	−2,791
1978		35,460	36,589	122.9	112.8	105.6	−2,015
1976	1st	5,654	6,204	106.2	100.2	100.8	−947
	2nd	6,160	7,109	109.7	106.3	98.8	−968
	3rd	6,513	7,645	110.1	109.0	96.6	−1,058
	4th	7,097	8,055	113.4	107.1	98.2	−1,000
1977	1st	7,520	8,466	115.9	108.9	99.1	−781
	2nd	7,921	8,700	117.7	110.7	100.6	−761
	3rd	8,531	8,534	124.6	107.3	101.3	−590
	4th	8,176	8,192	117.3	102.4	102.4	−659
1978	1st	8,409	8,999	119.6	113.8	105.4	−620
	2nd	8,752	8,925	122.2	110.0	104.5	−414
	3rd	9,053	9,418	124.9	114.4	105.7	−501
	4th	9,246	9,247	125.1	112.8	106.7	−480
	Oct.	3,073	3,033	125.9	111.3	106.0	−135
	Nov.	3,024	3,132	122.6	114.1	107.3	−162
	Dec.	3,149	3,082	126.7	113.0	106.8	−183
1979	Jan.	2,814	2,933	113.1	107.3	107.7	−60

* ratio of export prices to import prices

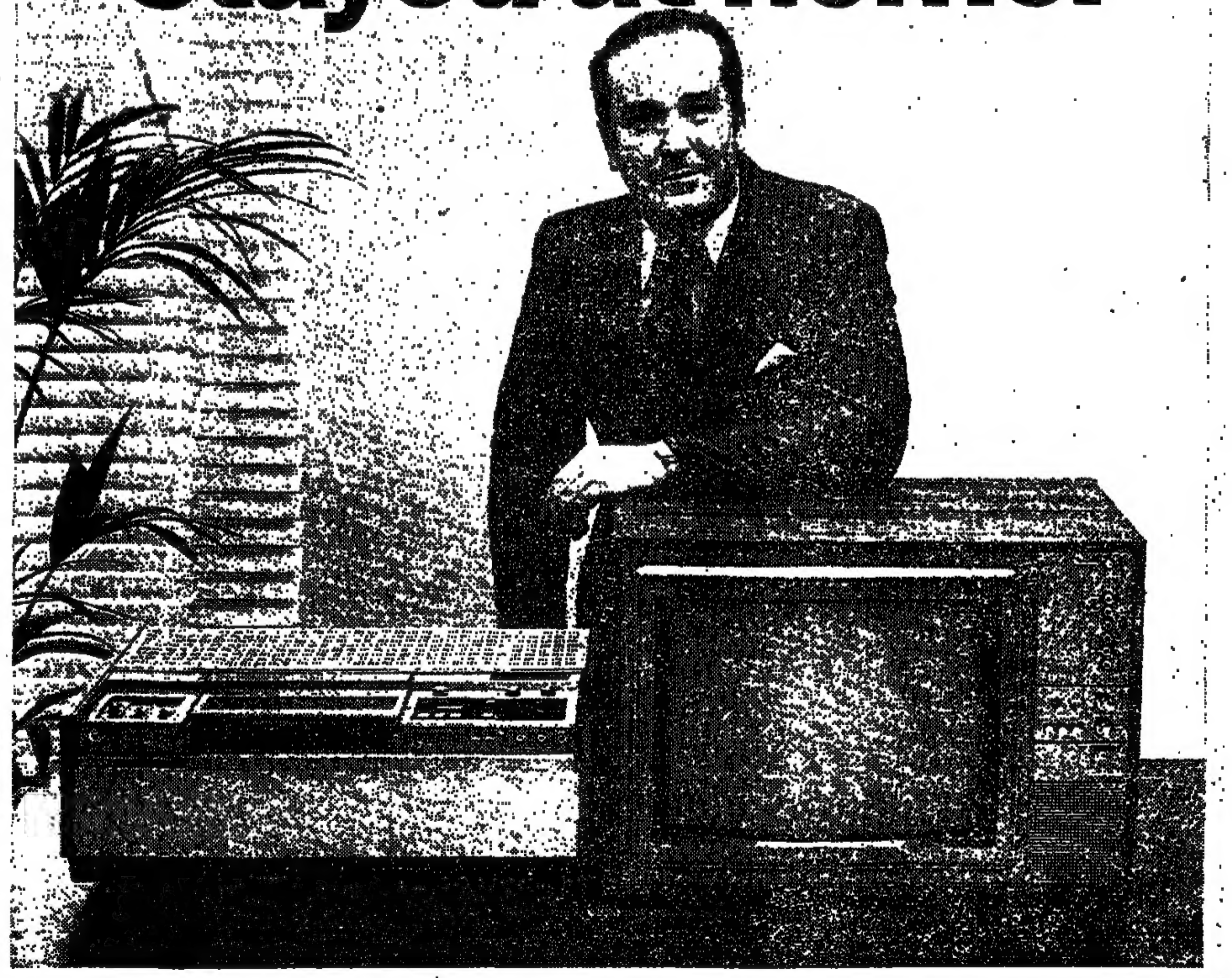
Source: Department of Trade

This businessman went to Paris.

This businessman went to Rome.

This businessman went to New York.

This businessman stayed at home.



Having to be several places at once would pose problems for most of us. Yet for many businessmen, it's all in a day's work.

The secret of their surprising efficiency is the Sony U-Matic video system.

With a U-Matic camera, product demonstrations, lectures and company reports can all be recorded on video-tape cassette.

Then, with the aid of a playback machine, they can be shown on a Sony Trinitron monitor.

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The Government-TUC St. Valentine's Day manifesto

By Christian Tyler, Labour Editor

A labour and political analysis

IN LESS than two weeks, the *TUC and the Cabinet* have jointly flung together 6,000 words. Does the statement do any more than illustrate the capacity of trade union leaders and *Labour Ministers for* agreeing about things on which they do not disagree?

The statement presented by the Prime Minister yesterday falls into two roughly equal parts. The first half is the statement proper: it is the political bit of the document and the part on which the value of *the whole should be judged.* The second part is a set of three, quite detailed, guides to good industrial relations behaviour and was drawn up almost entirely by the TUC. This half of the document is much more convincing than the first half: another matter is whether the unions affiliated to the TUC will like the guidance or not, and whether they will obey it or not. But at least the TUC has shown that it can publicly instruct its members on how they should behave: it has, for once, cast off its customary shyness.

The appendix to the document vindicates a venture which at its outset looked like only a pre-election panic by a government that had woken up one morning to find that its incomes policy really didn't work. Considering how inflexible Ministers have been towards the TUC about the *Cabinet's 5 per cent pay norm,* the Government should be well pleased with what the TUC has given it on industrial relations.

Only events can decide whether the statement will "work." Indeed, it is very likely that if the public service pay disputes are settled rapidly and if the wage negotiations for *miners, power workers, building* workers, steelworkers and railwaymen can be conducted without strikes then it will be judged a success, however much or little it may have in fact contributed to the climate.

If on the other hand the rubbish continues to pile up in *the streets and there are more* headlines about cancer patients being dislodged from their beds, the statement will probably be declared a phoney. And if *Labour loses the election, even* stronger epithets will be applied.

Yesterday's document started life as a list of headings, a *back-of-the-envelope agenda* presented to the Prime Minister and his Cabinet colleagues by the TUC general council at Downing Street on January 29.

Unions' control

There was an atmosphere of *crisis about. The Cabinet had* thought of declaring a state of emergency because of the lorry drivers' strike, but decided not to do so. The big issue was not the lorry drivers' pay claim, but the success of their picketing. The term "secondary picketing" threatened to pass into the language. Mrs. Thatcher seized the opportunity not merely to embarrass the Government with the apparent breakdown of the unions' control of their members but also to come out unequivocally in favour of changing and tightening the law to "control the unions." One of her advisers, Sir Hector Laing, chairman of United Biscuits, took a picket to court, with satisfactory results for the Conservatives and CBI. Mr. Jim Prior's preference for a voluntary policy and codes of conduct, supported by only few and minor changes in the law, *began going out of favour with* the Tory front bench.

The trade unions—particularly the Transport and General Workers Union—were getting a bad name, and the public, including presumably 13m trade unionists and their families, were reported to be horrified. It was even suggested that the unions had lost control to a new breed of mindless militants.

So it was that the Government determined to accelerate its already planned series of talks with the TUC.

Quite early in the proceedings Mr. Callaghan came close to admitting that maybe his 5 per cent pay limit had been a mistake, but asked the TUC in effect to give him back the authority that events looked like stripping from him. The TUC, in spite of the failure of previous talks of this kind in November last year, has duly tried to oblige.

The Government was the suitor on economic matters, badly needing the TUC to say it recognised a relationship between pay rises and the (undisputed) need to lower the rate of price inflation. But on *the industrial relations front,* the TUC appears to have made most of the running. Mr. Callaghan, it is true, had put picketing on the agenda, and *the Government* was also anxious to deal with the chronic irritation about the closed shop. Mr. Albert Booth, the Employment Secretary, had got tired of *apologising in the House of* Commons for strong-arm tactics by unions like SLADE the print process union. The Government also wanted *something said about secret* ballots, an issue which the Tories had been airing—with mixed success—for several months.

Perhaps the bull point of *yesterday's statement will be* treated as a party political one. This is the sentence reading: "Experience between 1971 and 1974 (i.e., the Heath Government and its Industrial Relations Act) showed that legalistic intervention in the conduct of industrial relations is harmful. We believe that improvements can best be brought about by agreed measures with the support of workers, unions and managements."

The Government and TUC appear to be saying: "We still have the best credentials for keeping industrial peace; if you elect the Tories, you will get new laws and workers will be sent to jail, and then you will get real confrontation." Certainly one TUC leader involved in the drafting of the document argues that Mrs. Thatcher may have burned her boats by so boldly reintroducing the possibility of radical labour legislation when all she needed to do was point to Labour's failure." (As far as can be seen, the Tories' real plan is to reinstate some or all of the six amendments worked into the 1974 Trade Union and Labour *Relations Act (TULRA)* by themselves or the Liberals, and repealed by the 1976 TULRA.)

Defended

There is possibly some danger for the TUC leadership itself in all this. The economic section is another of those documents that seem to kow-tow to the idea of a permanent incomes policy while being deliberately woolly about the mechanics and the arithmetic. And in order to steal Mr. Prior's clothes and catch the country's mood on industrial relations—if that is what the TUC has done — it *might appear to be condoning* some weakening of the line on trade union organisation and the right to strike, even though both these things are explicitly defended in the document.

Large chunks of the statement are skimpy repeats of aims that have been better expressed in past edition of the TUC's own annual economic review or of the TUC-Labour Party liaison committee's social contract documents. New technology looms fairly large, as well as what is called "skills mismatch," and this is tied to the commitment to early legislation on industrial democracy. The idea of harnessing of pension funds for industrial regeneration makes its formal debut.

The statement then cautiously slides round to the question of pay bargaining. It says that prices are best kept down by increasing productivity and output and by regenerating the manufacturing base. But a rise in money incomes much above the rate of output growth "would be incompatible with achieving our objective of a high wage, high productivity, low unit cost economy." The aim should be to bring the annual inflation rate down to below 5 per cent in three years. Again, "there is no precise arithmetical relationship between, *for example, getting* price rises down to 5 per cent, the economy growing at 3 per cent and a particular level of pay settlements."

The idea of an annual tripartite review of the economy before Easter is little developed —that will *follow,* it is said, in later discussions—but the *statement does make one point about* pay bargaining that will be construed as hopeful by those who want free collective bargaining, and *over-optimistic by those who dislike it.* "We do accept that there are dangers inherent in the concept of a 'going rate' for the year; this does not in our view form a proper part of real collective bargaining, which should have regard to the merits of the particular situation.

"The 'going rate' concept can be highly ambiguous and destabilising—it has the disadvantages from the trade union standpoint of a pay norm, coupled with the inflationary *effect of successive groups building* a higher 'going rate' on the basis of settlements previously made."

The desirability of reducing *the need of workers in vital services* to go on strike is touched on, but again details are to be left to the TUC's Nationalised Industries Committee and its *new Public Services Committee.* "It is no solution to propose the removal from such workers of their right to take industrial action in the last resort."

Similarly ways of overcoming the endemic discrimination in wage bargaining felt by workers in the public sector, particularly those in the public services, are not developed. Indeed, there is less talk of comparability in this paper than in the paper that failed last November. And if the idea of a relativities board —perhaps tripartite, and perhaps combining the various review bodies—has really taken hold with the TUC as it appears to be doing with the Prime *Minister, the statement conceals* the fact.

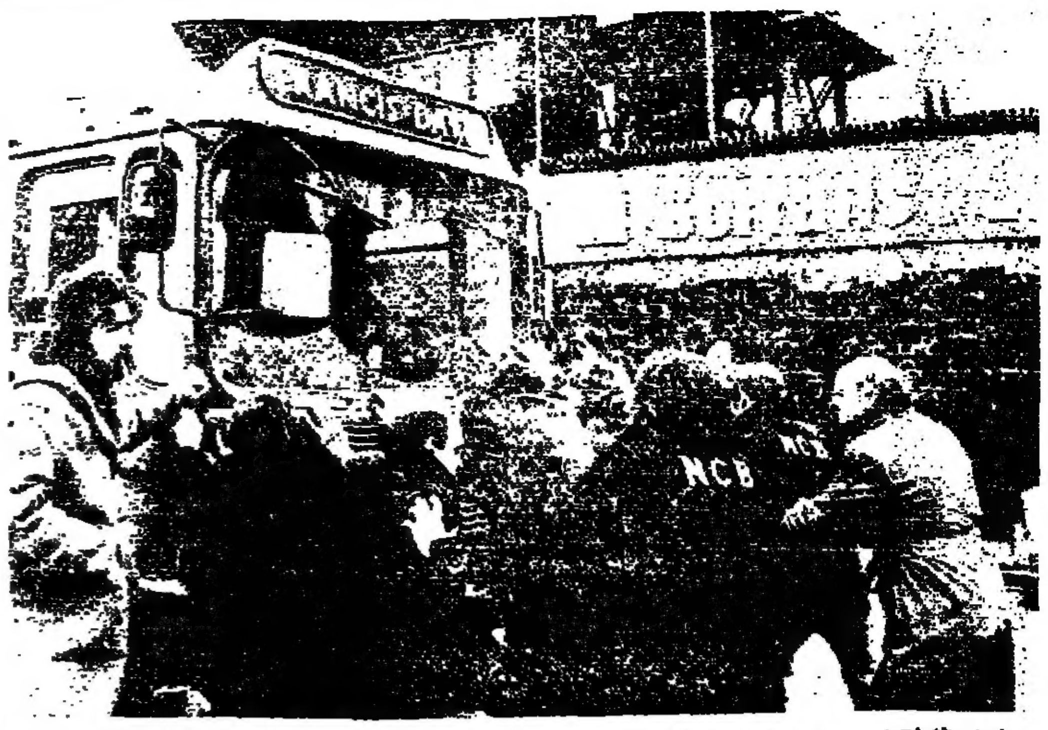
The audience being addressed here is very small and very specialist. Of much wider *appeal is the material* in the three codes of conduct (reproduced virtually complete in Wednesday's issue of this newspaper).

These codes of *conduct* are a compilation of the various pieces of TUC advice given—with little publicity—in the last ten years, and usually in response to incidents or outbreaks of industrial action like those we are witnessing now.

The picketing code obviously owes a good deal to the lorry *drivers' strike. The lorry drivers* had not been on national strike for more than 30 years, and no one was prepared for the way in which they interpreted the meaning of "furtherance of a trade dispute" — hence the clamour against "secondary picketing."

As for the closed shop guidance, the TUC *recommends* unions to be tolerant of conscientious objectors and—without saying so in as many words — of existing non-union workers of long service.

There is a paragraph explicitly discouraging the kind of recruitment tactics employed by SLADE (and also by the National Graphical Association) two years ago in the advertising industry. "Unions should adopt approaches which place the main emphasis on unions themselves persuading workers of the benefits of trade union membership."



Miners picketing in 1972. "Interference includes . . . linking of arms to prevent the entry of lorries to premises." (From yesterday's TUC guidelines.)

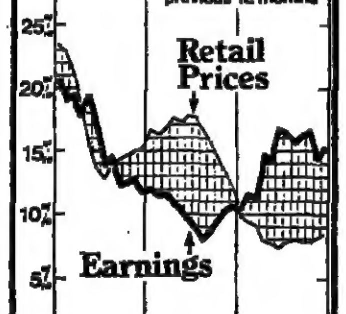
Employees reluctant to settle in first half of pay round

BY DAVID FREUD

EMPLOYEES have delayed reaching settlements in the first six months of the pay round, as they did in the same period of the previous round.

Figures released by the *Department of Employment* yesterday indicated that 2m employees in large groups concluded pay deals betweeen August and mid-February—*about 17 per cent of the total.*

This compares with 3m, or 25 per cent in the previous round—the third phase of the Government's pay policy. However, the discrepancy is fully accounted for by the public sector, where pay deals are still to be resolved.



This suggests that about a third of private sector workers covered by major pay awards have settled so far. This is much the same as last year. However, the figures in both rounds are well down on the level in the second phase of the pay policy, when nearly 4.5m, or 36 per cent, had settled by mid-February.

No estimate of the number of settlements outside the Government's pay policy guidelines was available, but the average level of settlements in the current round was estimated to be slightly above 10 per cent.

In the first five months of the round to December, the new index of average earnings, covering 21m employees, rose a provisional 3.4 per cent, compared with 4.1 per cent in the same period in 1977. About 1m workers in major industries had settled *in both years.*

The index rose by about 1.5 per cent in December, reflecting year-end bonuses, and the BL and Ford deals.

The year-on-year increase to December was 13.4 per cent, compared with 13.3 per cent in the year to November. Retail price inflation was 8.4 per cent over the same period.

The index was provisionally estimated at 138.1 in December, compared with 136.1 in November. (January 1976=100, not seasonally adjusted.)

The old index of earnings based on about 11m employees mainly in production industries, rose 5.6 per cent in the first five months of the pay round, compared with 6.5 per cent in 1977.

It rose 2.3 per cent in December for a year-on-year increase of 15.3 per cent, compared with *14.3 per cent in November. It* stood at 351.4 in December (January 1970=100, seasonally adjusted), compared with 343.5 in November.

The endex for basic weekly wage rates rose to 275.2 in December from 271.6 in the previous month, for a year-on-year rise of 16.4 per cent (July 1972 =100). These figures take into account only nationally negotiated rates.

Department figures show that average earnings for male manual workers averaged about £83.50 for a 44½-hour week in October 1978—about £10.16 or 14.6 per cent higher than in October, 1977.

The equivalent figure for female manual workers was £50 for a 37½-hour week, up £5.70 or 12.9 per cent.

The average for full-time male manufacturing workers was about £84.80 for 43½ hours, and for women about £50.10 for 37½ hours—increases of £11.20 or 15.2 per cent and £5.60 or 12.7 per cent respectively.

Talks breakthrough in council workers' dispute

BY PAULINE CLARK, LABOUR STAFF

A SIGNIFICANT step towards a possible resolution of the council workers' pay dispute was taken last night when Mr. Peter Shore, Environment Secretary, and local authority employers reached agreement on a basis for negotiations with unions.

After talks lasting 3½ hours with Ministers, employers' leaders left the Department of Environment to try to contact unions to arrange further talks aimed at ending the deadlock following last week's rejection of an 8.8 per cent offer.

It was hoped that a further meeting with unions could be arranged for Friday.

Ministers were believed to have given the go-ahead for a small improvement in the basic pay offer, but a solution seems to lie in proposals for a comparability study to look after council workers' pay in future.

Dates for a study were discussed — and the pattern of payments that might result—but no details were given.

Unions have been insisting that the study be part of this year's pay settlement for manual workers but employers have been concerned about the problems of differentials that may arise with other groups.

Employers were believed to have received a measure of reassurance that the Government would support a solution to differential problems.

Dustmen, school caretakers and other council workers have been taking selective industrial action for more than four weeks in their fight for a £60 minimum wage. Action has been stepped up this week by the two big unions involved, the General and Municipal Workers' Union and the National Union of Public Employees.

The unions received a big boost yesterday with a decision by the 33-strong Labour group on Camden Council, London, to support their demand for a £60 minimum wage and a 35-hour week as a basis for negotiation.

The decision on a vote of 15-9 which still has to go through a full council meeting, follows a policy decision last month by Haringey Council, another Labour-controlled borough, to support the public service workers' demand.

The National Union of Public Employees welcomed the Camden decision yesterday but pointed out that it was still anxious to see a national settlement rather than locally-negotiated deals.

Representatives of two-thirds of Britain's 33,000 water and sewage workers yesterday voted "almost unanimously" to accept a pay package of nearly 16 per cent.

The decision by a delegate conference of the GMWU means that there is now no *risk to the Government of* water workers adding their industrial muscle to the national public service workers' battle over pay poltiey.

Members of NUPE—some of whom have already taken unofficial action over the pay offer—are expected to complete their voting by the beginning of next week. The offer, however, went out with an executive council recommendation that should be accepted.

The water workers' pay settlement on a 9.05 per cent basic pay rise, and a 6.9 per cent efficiency bonus, is estimated to be about 3.7 per cent above the pay guidelines for the industry.

Mr. Eddie Newall, chief union negotiator for the water workers and national officer in the GMWU said that 68 per cent of the water workers would receive an average increase in earnings of between 14 and 18 per cent while more than one-quarter would receive 20 per cent or more including assimilation of the new grading structure.

Water workers' pay was now said to be just ahead of rates in the electricity supply industry and about £1 behind the gas supply industry. These two groups have yet to settle, however, in the present wage round. Mr. Newall was confident that discussions on pay relativity would continue with employers in the three groups.

Employers 'love closed shop'

EMPLOYERS "love the closed shop," according to a survey of nearly 1,000 companies published today.

The survey was carried out by the Social Science Research Council's industrial relations unit at Warwick. It explodes the myth that the closed shop is always imposed on unwilling employers by the threat of industrial action, Miss Moira Hart, a research associate, said.

In an article in New Society, Miss Hart says employers can benefit from the closed shop to such an extent that doubt is cast on the efficacy of legislative controls designed to limit its operation.

Managers claim substantial benefits from closed shop agreements, which have become increasingly popular since the repeal in 1974 of the Industrial Relations Act, 1971.

The survey is considered so important that the TUC has asked to use the data in current discussions with the Government.

It showed that 46 per cent of manual and 13 per cent of non-manual workers in British manufacturing industry were covered by the closed shop.

All but a small fraction of management supported the closed shop, and almost 75 per cent of employers said it had advantages.

Managers of large firms increasingly found it easier to deal in a standard "impersonal" manner with their employees. They preferred to agree terms with a single set of union negotiators who then ensured that these were observed by their members.

● The Conservative-controlled Greater London Council has signed a renegotiated trade union membership agreement with 18 unions representing 15,000 manual workers. Under the new agreement, which *comes into force on Monday,* a worker who objects to union membership on the grounds of religious belief or personal conviction will be able to opt out and make a contribution to charity instead.

Train drivers urged not to take action

BY PHILIP BASSETT, LABOUR STAFF

BRITISH RAIL yesterday appealed to the train drivers' union ASLEF not to take any further industrial action while an independent tribunal prepared its report on the drivers' claim for a 10 per cent special responsibility payment.

ASLEF members on British Rail's Southern Region have already threatened an unofficial strike next Wednesday. The union called four one-day official national strikes last month in support of the claim.

Mr. Ray Buckton, ASLEF general secretary, echoed the British Rail appeal. He said the union had put a reasonable case. "Now, let's see if there is justice," he said.

Mr. Cliff Rose, British Railways Board member for industrial relations, told the final day of a hearing of the Railway Staff National Tribunal into the claim that industrial action had "plagued" the railways and had done "immeasurable harm to the reputation and financial situation of the industry."

British Rail estimates that the four national strikes cost more than £10m.

Mr. Rose strongly urged all three rail unions and the tribunal's chairman, Lord McCarthy, lecturer in industrial relations at Nuffield College, Oxfrod, to condem "irregular action" and to urge restraint.

He hoped the tribunal would be able to come to a spedy conclusion. Some British Rail and union officials and other interested parties privately agree that it may have great difficulty finding sufficient new ground to come to a solution which would be acceptable to the Board and the unions.

Mr. Buckton, yesterday appealed to the National Union of Railwaymen not to block the negotiations with the board.

In reutrn, ASLEFF offered assurance to the NUR and the third rail union, the Transport Salaried Staff Association, that it would not interfere with negotiations for the grades they represented.

One of the reasons for last month's strikes over the 10 per cent claim was a procedural dispute between ASLEF and the NUR over productivity proposals. Mr. Buckton claimed that the dispute had not allowed him to put the case for his 10 per cent claim properly.

ASLEF represents almost all footplate staff with the NUR representing about 2 per cent. Both unions have a voice in talks on drivers' pay and productivity with the board.

Mr. Buckton told the tribunal that the NUR now used their veto in every negotiation with the board. ASLEF had never used its veto; and it was now looking for a clear directive from the tribunal on the use of the power by minority groups.

Lord McCarthy said that the question of negotiating autonomy for the three rail unions was one of the most important the tribunal had to examine.

Scottish shipyard foremen end strike

By Lisa Wood

THE THREAT of a Polish order *for 13 ships falling behind* schedule at two Scottish shipyards was lifted last night, as 250 supervisors ended their three-day strike.

The 4,000 manual workers at Govan Shipbuilders, Glasgow, and the nearby Scotstoun Marine continued to work unpaid when the 250 foremen and under-managers decided to strike over a pay issue unresolved since 1974.

The supervisors decided to return to work yesterday, although the pay issue had not been resolved. Talks are to be held tomorrow between British Shipbuilders and the unions concerned.

Supervision

The manual workers staged the work-in after the management issued *lay-off instructions* on Monday. Under the provisions of the Health and Safety at Work Act, the management decided that all manual workers had to be laid off *because of* lack of supervision.

But the workers said they were determined to prevent the Polish ship order, which is due for completion this year, from falling behind.

The management said yesterday that it had not yet decided whether to pay those involved in the work-in.

GEC fusegear back at work

HOURLY-RATED workers were recaled to GEC Fusegear at Liverpool yesterday, when 100 *strikers, including stacker* truck-drivers, returned to work. They had been on strike for a week over pay and conditions, but they returnetd on exactly the same conditions as when they stopped work.

Broker expands

CHESHAM HILL, the City of London tax planning and assurance broking company, has added Manchester to its branch offices. The group already has regional offices in Edinburgh, Cheltenham and Birmingham.

Rover stoppage is blow for BL

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL CARS faced new labour troubles last night in spite of an overwhelming vote by the 20,000 workers at Longbridge, Birmingham, to end their week-long strike.

Production of Rover saloons at Solihull, was halted and 2,500 workers sent home following a walk-out by 43 inspectors.

The unofficial toolmakers' committee led by Mr. Roy Fraser is again threatening to strike unless the company makes a positive response to its demand for £90 a week for craftsmen.

The committee decided in Birmingham yesterday to call a meeting on March 10 of the 500 senior shop stewards representing BL Cars' 12,000 craftsmen. That would decide upon action to pursue the £90 claim, said Mr. Fraser.

The toolmakers' committee's credibility *has fallen* dramatically recently, but it clearly believes it can gain renewed support from members' resentment about the company's tough *line in refusing to award parity* payments until they have been earned.

Skilled men at low-paid plants like Cowley, Oxford and Longbridge stand to gain increases of up to £10 a week from the payments that have now been delayed.

With the return of the Longbridge workers, the company can claim vindication of its uncompromising stance of refusing to make concessions.

But the events of the past week in which mass meetings at BL Cars' 34 plants have overwhelmingly rejected the union leaders' call for a total stoppage by all 100,000 manual workers appears to have re-opened divisions between plants and groups of workers.

At yesterday's Longbridge meeting, attended by nearly 10,000 workers, strike leaders were booed and jeered when they recommended *calling off* the action.

Mr. Derek Robinson, the convener, insisted the plant had been right to stage a protest but the 2-1 vote by other plants against the strike should be respected. H e forecast that if the second stage of parity payments were not made in May, *there would be a stoppage* throughout the company.

At Rover, talks to settle the grievance of inspectors about manning levels broke down *yesterday. A mass meeting of* inspectors is scheduled for today to review the position.

A prolonged stoppage would be particularly damaging as Rover saloons captured 2.5 per cent of the UK car market last month. The car was among the top ten best selling models—an unusual achievement for a high-priced quality vehicle.

Council's plea for worker fails

Mr. Harold Borrott, a council worker who was dismissed after 22 years because he refused to join a trade union, is unlikely to get his job back.

The Labour - controlled *Norwich Council had* asked unions representing its 1,400 manual workers to allow Mr. Borrott to be reinstated as a slipper bath attendant if he agreed to pay the equivalent amount of union subscriptions to charity.

But the building workers' union, UCATT, which represents 400 of the council's manual workers, has rejected the move.

Mr. Borrott of Cowgate, Norwich, is due to have his case heard at an industrial tribunal next week, where he will claim that his dismissal was unfair, *on the grounds that the closed-shop policy* was an infringement of personal liberty.

Norwich Council said: "Unless all the unions agree to the changes we have suggested, we will have to give six months' notice to terminate the agreement and have further discussions about what agreement should take its place."

UK NEWS—PARLIAMENT and POLITICS

Sceptics mock Callaghan concordat

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT'S new concordat with the Trades Union Congress was greeted with "healthy scepticism" by **Mrs. Margaret Thatcher**, the Conservative Leader, when it was unveiled in the Commons yesterday by the **Prime Minister**.

She argued that, without legislation to control secondary picketing and prevent abuses of the closed shop, the agreement was "nothing but boneless wonder."

Throughout her remarks, **Mr. George Thomas**, the Speaker, had to intervene to control noisy heckling from the Labour benches. Mrs. Thatcher shouted at the Left-wingers: "Aren't you a frightened lot!"

The document also received a cool reception from **Mr. David Steel**, *the Liberal leader*, who thought that it should be welcomed "as far as it goes."

But, he said, it was no substitute for agreement in the House on pay policy and industrial relations. The Com*mons could not go on sub*contracting its responsibility to create a permanent frame-work for such matters.

Mr. Donald Stewart, the Scottish Nationalist, described the proposals as "pious aspirations" and not nearly strong enough to deal with the present situation. He wondered how Mr. Callaghan could guarantee that the *TUC* would deliver this latest version of "peace in our time."

Replying to his critics, **Mr. Callaghan** maintained that voluntary agreement with the TUC held out the best hope of *improving industrial relations*.

He accused Mrs. Thatcher of having an "obsession" with the need to bring the law into industrial relations and recalled the conflict which had been aroused by the Industrial Relations Act, introduced by the *last Conservative Government*.

There were Labour cheers, as he declared bluntly: "Why return to your old vomit? Let's try a new way."

Mrs. Thatcher reminded him that the solemn and binding *agreement with the unions made* under the Wilson administration and the more recent social contract had been sold to the public as the boldest experiments in civilised government ever seen in Britain.

In view of this, the public was bound to be sceptical about the present document.

Hugh Routledge

Agreement reached: TUC leaders leave 10, Downing Street.

The Opposition could endorse many of the aspirations in the new agreement, but they did see a gap between these aspirations and the measures necessary to *bring them about*.

"We know the Prime Minister has had a great opportunity to make a national approach on these matters. But in view of the widespread concern of the people, we believe that his *statement and this document is* a missed opportunity."

She was particularly dubious about the stated target of getting inflation down to 5 per cent within three years, and wondered what difference this *would make to the conduct of* the Government and the TUC during the present wage round.

Mrs. Thatcher wanted to know what effect the promise of deferred comparability of pay for the public sector would have on the chances of reaching the 5 *per cent target*.

While welcoming the proposals for an extension of the secret ballot and for "no-strike" clauses, she did not think that a voluntary code of practice would be effective in *dealing with the problems* of the closed shop.

The code was important as a supplement to the law, but was no substitute for it.

The right of compensation for workers who lost their jobs as *a result of the closed shop* had been taken away by legislation introduced by the present Government. It could only be restored by law and not by a voluntary agreement. Therefore, the Government should introduce such a law to put matters right. The majority of people also wanted picketing to be confined to premises involved in a dispute and carried out only by the employees directly involved.

Yet the concordat would allow picketing at the premises of suppliers and customers, and would therefore allow some of the worst practices seen in the lorry-drivers' strike.

She called on Mr. Callaghan to introduce legislation to put this matter right "in accordance with *widespread* public opinion."

In his statement, Mr. Callaghan described the agreement as "an important beginning." The approach was based on the Government's conviction that the most effective way of improving industrial relations was to secure the consent of the unions.

"It is only too easy to propose apparently simple legal answers to these complex issues," he added. "They do not exist."

There was some scoffing from the Conservatives when he said that the particular value of the agreement was that by consultation and consent the full authority of the General Council of the TUC had been brought to bear in working out a constructive approach.

The Prime Minister conceded that the agreement did not mean that "the salvation of the earth" would be attained tomorrow and that the TUC advice might be disregarded in certain areas.

Thatcher acclaims 'boneless wonder'

BY PHILIP RAWSTORNE

"A BONELESS wonder"—that was Mrs. Margaret Thatcher's contemptuous verdict yesterday on the Government's agreement with the TUC.

Poking over the document in healthy scepticism, the Tory leader found it as flaccid as any social contract or solemn and binding undertaking.

The Prime Minister had to admit that many MPs were too young to recall the TUC last taking a firm line with its member unions. "Remember the 'who-does-what' disputes?"

But Mr. Callaghan did succeed in imbuing this joint statement with enough substance to withstand the Tory derision.

***In doing so, he also* noticeably stiffened the backbone of Labour MPs, perking up their limply folding morale.**

Leftwinger Mr. Eric Heffer said that the document embodied all the *aspirations* of the Labour movement. Giving voice to those hopes of political revival, Labour MPs heckled and taunted the Tory leader mercilessly. Mrs. Thatcher, probing into the Prime Minister's paragraphs, found them woefully short of sinew.

Codes of practice were not going to be enough, she declared. The problems the country faced demanded *tough economic measures and* legal restraints.

Mr. Callaghan retorted that the Tory leader had become obsessed with the law. It was too rigid and inflexible to deal with the difficulties of pay policy and *industrial* relations.

"The present bout of hysteria will die down," Mr. Callaghan said confidently. Then the country would see the advantages of an approach based on consent.

Mrs. Thatcher should not be so dismissive of the TUC. "It *is an important and responsible element in our community and I wish sometimes she would drop her nagging and recognise it.*"

But Mr. Callaghan undoubtedly felt that he had *last gained* the *prop* that would lift the Government towards the election.

"This is an important beginning" he declared.

Rippon backers search for a guaranteed seat

BY ELINOR GOODMAN, LOBBY STAFF

LAST-MINUTE moves are afoot within the Conservative party to get **Mr. Geoffrey Rippon** selected for a safe seat in the directly elected European Parliament and so in a *position* to lead the Conservative delegation in Europe.

This reflects concern among some senior Conservatives that without Mr. Rippon, or somebody else of his experience, the British Conservative *delegation* risks losing its credibility and influence within the centre right group of MPs in the Parliament.

It follows the upset at the weekend when **Mr. Paul Channon**, who was Mrs. Thatcher's nominee for the European leadership, was beaten by **Mr. David Curry**, a Financial Times journalist, in the safe seat of North East Essex.

Mr. Rippon, who has led both the British Conservative group in the European Parliament and a wider European Conservative group in the Parliament for the past two years, has officially said that he would prefer to hold on to his Hexham seat than fight a *European one as well*.

Some younger European candidates feel that Mr. Rippon may be too closely associated with the old Heathite guard of Europe but the feeling among some of those MPs currently representing the party in Luxembourg is that it is essential that their delegation is led by someone who is both respected in Europe and close to the shadow cabinet.

They believe Mr. Rippon is the obvious choice and that Conservative **Central Office** has bungled things by emphasising constituency preferences at the expense of ensuring suitable Conservative **leadership** in Europe.

Mr. Rippon's **supporters** believe the best thing that could happen now would be for a constituency association to make a direct application to have Mr. Rippon as their candidate on the grounds that there is nobody else suitable available.

Some Central Office organisers feel it is far too late for such a move but senior Conservatives still hope that Mr. Rippon can be secured a safe seat and take what they regard as his rightful place at the head of the Tory delegation.

Bigger say wanted

BY REGINALD DALE, EUROPEAN EDITOR

THE EUROPEAN Parliament which will be directly elected in June should seek more say in running the EEC, says a Bow Group pamphlet published in London yesterday.

The most realistic goal would be to seek the power of "co-decision" with the inter-governmental Council of Ministers in all fields, not just the Community's *budget as at present*, it says.

Directly elected Members of the European Parliament (MEPs) should also press for the right to single out and censure individual members of European Commission and invite the Nine Heads of Government to Question Time—preferably following summit meetings.

The Parliament should seek to gain control over agricultural spending by asking that the Community's annual farm price review be approved by the Parliament or by refusing to vote the supplementary budgets necessary to finance it, the pamphlet proposes.

It should aim to extend the budget to include all Community policies, and ask for budgetary forecasts for several years so it can judge medium term spending implications.

The new Parliament should end the uncertainty caused by the system under which Parliamentary sessions are divided between Strasbourg and Luxembourg. The pamphlet recommends Luxembourg as the permanent site.

The pamphlet says that the job of an MEP will be extremely important, especially in the first directly elected Parliament, and should be full time. British MEPs should receive about £15,000 a year as "the minimum to do their job effectively."

The present decision to pay British MEPs the same salary as Westminster MPs (£6,897 a year), topped up with special allowance; should be reversed.

A Parliament is Born, William Stephens and Trefor Llewellyn, Bow Publications Ltd., 240 High Holborn, London WC1V 7DT.

Editorial Comment, Page 24

Nationalisation row

BY JOHN HUNT

Mr. Robin Maxwell-Hyslop (C., Tiverton) claimed in the Commons yesterday that British Shipbuilders and British Aerospace were in "unlawful possession" of the factories and shipyards which they acquired under nationalisation.

He maintained that, because of a drafting error, the nationalisation powers embodied in the Aircraft and Shipbuilding Industries Act of 1977 were illegal and invalid.

Mr. Maxwell-Hyslop tried to get an emergency debate on the subject but this was rejected by the Speaker, **Mr. George Thomas**.

He now hopes to raise the matter again with **Mr. Eric Varley**, the Industry Secretary, during Question Time in the Commons.

Commenting on the allega*tions last night, a spokesman* for the Department of Industry said that, so far as his department was aware, there were no defects in the Act.

Mr. Maxwell-Hyslop told the Commons that vesting orders were a nullity because the relevant clause in the Act was defective.

It was not an empowering clause at all but an interpretation clause.

This meant that both corporations were in unlawful possession of the assets purportedly taken into public ownership on the vesting dates.

Therefore they could not lawfully make use of those assets or enter into contracts which assumed ownership of them.

Fourth bid to combat disruption

FOR THE fourth time in two weeks, MPs voted yesterday to allow a Tory backbencher to *bring in a private member's* Bill to combat some aspect of industrial disruption.

The Bill, sponsored by **Mr. Peter Temple-Morris**, MP for Leominster, which would outlaw secondary picketing, had a majority of 17. Voting was 187 to 170.

But the Secondary Picketing (Abolition) Bill has virtually no chance of becoming law.

Mr. Temple-Morris claimed there was "a possibility of minority power being able to blackmail the nation. It is a fact that there has been intimidation, extortion and blackmail.

Tory bank defeats

BY IVOR OWEN

A RENEWED attempt by Tory MPs to bring the National Girobank within the supervisory system to be established under the Banking Bill failed by 14 votes in the Commons last night.

An amendment, which in addition to bringing National Girobank within the supervisory system would also have required it to become a contributor to the deposit protection scheme, was *defeated* by 140 votes to 126.

A similar amendment was *moved when the Bill was con*sidered in standing committee and le dto a tied vote of 6-6.

Led by **Mr. Peter Emery** (C. Honiton), the Opposition benches argued that National Girobank should be treated on exactly the same basis as private sector concerns operating in the same field.

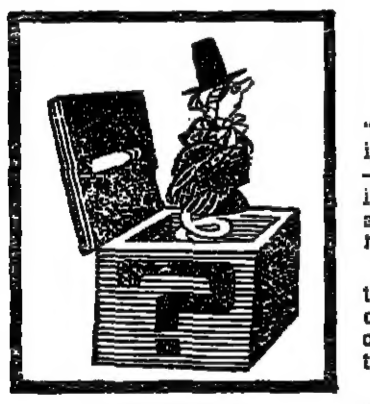
He stressed that National Girobank offered an expanding range of banking services extending from personal loans and overdrafts to overdrafts for local authorities and nationalised industries.

Failure to bring the National Girobank within the scope of the Bill would place it in a special position.

Mr. Denzil Davies, Treasury Minister of State, maintained that National Girobank is already subjected to greater restrictions than banks operating in the private sector.

He believed that National Girobank would *not object* to being brought within the scope of the Bill because this might well have the effect of enhancing its reputation.

'It comes down to cash in the end'



Scottish and Welsh devolution campaign reports by Robin Reeves, Ray Perman and Rhys David

"DIWEDD y gan yw'r geiniog" is a well-known Welsh proverb —*literally: "the end of the song* is the penny"—meaning that it always boils down to money in *the end*.

Many issues are at stake in the Welsh assembly referendum on March 1 but the economics of devxolution are emerging as the dominant theme.

Will Wales be better or worse off if it votes in favour of the assembly?

Very definitely yes, say the *pro-devolutionists*. On the contrary, say the antis, Wales would eventually suffer serious economic setbacks.

Indeed, the Conservative-dominated "no assembly campaign" is incensed at "yes" campaign assertions that the assembly will mean more jobs and a higher standard of living in Wales.

Mr. Nicholas Edwards, MP for Pembroke, who is leading the Conservative campaign, has described the claim as a wicked and discreditable lie. His followers declare that a Welsh assembly "risks damaging the *confidence of would-be investors* in Wales. Thus, it could mean fewer jobs and a lower standard of living in Wales than we could otherwise expect."

Business and investment will suffer, devolution opponents say, because the assembly would foment conflict with London, be controlled by socialists, and call into question the unity of the UK.

Beyond the rhetoric however, devolution opponents *see* two specific dangers.

One is that, as the Welsh assembly sought to grow in strength and influence, it might divert to its use part of the block grant from the Treasury for rates support.

Welsh local authorities, deprived of their full rates support entitlement, would be forced to raise rates. For political popularity, they would place the additional burden on commerce and industry rather than householders.

The other argument, particularly canvassed by Mr. Neil Kinnock and the Welsh Labour MPs campaigning against devolution, is that Wales is being subsidised by English taxpayers.

Public expenditure in Wales is £167 a head higher than in England, they say, and the assembly will eventually call that into question—to Wales's impoverishment.

Both anti-devolution camps are making much of the cost of a Welsh assembly. That is put *at £6.5m capital expenditure to* instal the assembly in the Cardiff Coal Exchange, the cost of 1,150 extra civil servants, and *£13.7m in annual running costs*.

Devolution advocates have tackled the economic arguments head-on. The physical cost of the assembly, they say, will be spread over the UK as a whole (making the Welsh taxpayers' outlay little more than £500,000).

That works out at less than half a penny a person a week, compared with public expenditure in Wales worth £2.7bn that will come under the assembly's democratic scrutiny and management.

The additional rates warning is dismissed as "Tory scare-mongering" on the ground that the rates support section of the block grant will be known and distributed before the assembly spends the rest of its budget.

On public expenditure, the argument is more complicated.

Essentially, it is that public expenditure is higher in Wales than in England precisely in those areas, *such as unemploy*ment and social security benefits, where responsibility will be retained by Westminster and *which will be unaffected*.

In the Welsh assembly's planned areas of responsibility, on the other hand, Wales has been getting less than its fair share of the UK cake.

In housing, Wales has 5.1 per *cent of the UK population and* more sub-standard houses than any other part of Britain; yet it receives only 3.9 per cent of *total UK public expenditure on* housing. A similar case is made for health, education and environmental services.

Devolution should, therefore, ensure that Wales has a higher standard of living in better roads, housing and health and environmental services because an assembly would give Wales the bargaining power to secure its fair share of UK resources.

More jobs would flow from the increased UK public funds *available*, and from the "political muscle" that an assembly would put into the Welsh Development Agency and the Development Board for Rural Wales.

The devolution advocates are *confident that the assembly will* benefit Wales economically, simply by drawing up an economic strategy, although most economic planning responsibilities will be retained by the Welsh Secretary of State and Whitehall.

Mr. George Wright, general secretary of the Wales TUC, argued yesterday that the *Assembly* would also *benefit* industrial relations in Wales.

The special link that should be forged between the assembly and the Wales TUC should ensure that disputes such as those affecting public services *would not be allowed to develop* to the point of an all-out strike.

At the start of the campaign, Mr. Wright declared that it was inconceivable that the Welsh people would want to see Scotland, with an elected assembly, exercising greater autonomy and developing faster, while Wales remained a poorer and deprived region without self-determination.

Mr. Nicholas Edwards

Factory record

ONE HUNDRED advance factories were let in Wales in 1978, reports Mr. John Morris, Welsh *Secretary. These* were 26 lettings in 1977 and 24 in 1976.

Last year's record figure represents more than 1m sq. ft. of space and the prospect of more than 5,000 new jobs eventually. Another 11 advance factories have been let so far

Northerners reject begging bowls

THE Campaign for the North, the pressure group for devolution in the region, is calling for a Yes vote in the Welsh and Scottish referendums as an essential first *step towards* the decentralisation of power throughout the UK.

Mr. Paul Temperton, the campaign's director, speaking in Scotland, said the long-term implications of devolution could not be confined to Scotland and Wales alone.

Government in Britain *over the decades had become* hopelessly centralised and hopelessly overloaded, with less and less real democratic control over the reins of power.

Ordinary people felt increasingly alienated and helpless. Changes *in society* had concentrated power in fewer and fewer hands and *located it further and further* away from the community.

"This applies not only to Government itself but also to the nationalised corporations, to industry and commerce, to the media, to the trade unions, and *to* organisations of all kinds both private and public," he claimed.

The campaign, founded two years ago, *has* attracted support from a small number of northern MPs, from the Liberal and Labour Parties, and has recently recruited to its ranks the Government's former constitutional adviser, *Lord Crowther-Hunt*.

Its main complaints are against what it sees as excessive London control over decisions affecting the North

Mr. Temperton, who was addressing a Yes for Scotland *rally in Livingston, added:* "We in the North Country are oppressed by the metropolitan values and assumptions which emanate from London, just as you are here in Scotland.

"We, too, are suffering economically from the effects of a London-directed regional policy which has failed to correct the imbalance, and which is turning the North of England, the South-west, Scotland and Wales into branch-factory economies with a begging-bowl mentality."

Mr. Temperton *said the* Scotland Act was imperfect but could be improved as time went on if the Assembly came into being.

Prosperity in Eire 'removes unity bar'

THE IRISH Republic's increasing prosperity has removed a major bar to the eventual unification of North and South, Mr. Michael O'Kennedy, *Irish* Foreig Minister, said in London yesterday.

Mr. O'Kennedy said that, in a morning of talks with Mr. Roy Mason, Ulster Secretary, he had urged the unification of Ireland, but had not *discussed* details.

"The first and major objection against unification was always presented as the level of disparity between the North and South. For the past 12 *months, that argument has not* been raised for the very reason that disparity no longer exists," he said.

Propaganda

The diversification of trade had increased Ireland's economic potential to the point where unification would be more advantageous to the North than the South.

Mr. O'Kennedy said it was a waste of the resources of both economies that there should be competition between them to attract new industry and he had urged greater co-operation for their joint economic future.

He did not expect any new initiative from Britain over Northern Ireland while a General Election was in the *air. But he emphasised* that Northern Ireland remained a "matter of urgency."

'H' blocks

The IRA had profited by the period of political inactivity on the part of the British and had used the *possibility of an* autumn election to consolidate its position. It had also made capital out of the controversial "H" blocks. More than 330 Provo prisoners are refusing to wash, or clean their cells, and *this was being used as* propaganda.

Mr. O'Kennedy said he had urged Mr. Mason to do something to alleviate the prisoners' conditions in order to reduce the use of the "H" block pro*test as propaganda, especially* in the U.S.

Mr. Airey Neave, Tory spokesman on Northern Ireland, also met Mr. O'Kennedy yesterday.

Lord Home points out the defects in Scotland Act

LORD HOME, the former Prime Minister and author of the Conservative Party's original devolution proposals, yesterday urged Scots to vote No in March 1 referendum.

He told students in Edinburgh that he was a devolutionist and that his natural prejudice was to support decentralisation of government. He was not opposed to an elected legislative Assembly being set up in Scotland.

But the question which had to be answered in the referendum was whether the Scotland Act, passed by Parliament last year, would create an acceptable system of devolution.

Would it assure Scotland of better government and was it compatible with the unity of the UK? When he studied the Act, Lord Home said that he concluded with regret that it had five defects which must be remedied.

The size of the Assembly was too large and the fact that it *would not be elected by* proportional representation made it undesirable.

Its inability to raise taxes was also a major flaw and confusion would arise over the Assembly's exact powers.

There was also the problem that Scottish MPs at Westminster would be able to vote on English affairs, but that English MPs would not be able to vote on Scottish affairs.

Lord Home's intervention is likely to influence many uncertain Conservative voters to come down against devolution.

It could counteract the appeal being made by pro-devolution Conservative MPs, **Mr. Alick Buchanan-Smith** and **Mr. Malcolm Rifkind**, to vote for the Assembly with the intention of improving it later.

Lord Home said: "I had thought of voting for the Act *because Scots men and women* would be disappointed if practical devolution was deferred.

"But I do not believe that this is now the public mood. I think that more and more people are concerned to get the matter right, even if that means more time.

"It is unfortunate that the only way to be certain of reconsideration is to vote No, but that is how the question is put. A No vote need not imply any disloyalty to the principle of devolution.

"The important thing is to achieve the right pattern consistent with the efficiency of government and the unity of the U.K." Lord Home said.

Welsh poll result 'out on March 2'

THE OVERALL result of the Welsh assembly referendum should be available by 4 pm on March 2, Mr. Stuart Lloyd Evans, chief counting officer for Wales, said in Cardiff yesterday.

The count will be in two stages. After the closure of polling stations at 10 pm on March 1, counting officers in the eight Welsh counties will first add up the total number of ballot papers.

The division into "yes" and "no" votes will not begin until the following morning at 9 am.

The first result is expected to be declared at noon from Gwynedd. The last result is likely to be from Gwent.

The National Union of Public Employees is planning a one-wek strike by school caretakers in North Wales, beginning three days before polling. That might prevent schools from being used as polling stations.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TRANSPORT

Hybrid drive for economic car

EXPERIMENTAL vehicles able to run on petrol or diesel fuel for part of the time, on batteries for part of the time, or on both simultaneously, are to be built by General Electric of the U.S., working with a team of consultants.

Most of the GE effort, under a $350,000 contract to the Department of Energy, will be aimed at determining the characteristics of the hybrid power plant.

According to company spokesmen, early engineering studies show that a hybrid vehicle would burn less fuel than a petrol-driven car and would have better range characteristics than an all-electric vehicle.

Among the consultants on the project, ESB Ray-o-vac will provide support in the choice of a battery system for the cars. Meanwhile, the GE Research and Development Centre which is directing the project, will also carry out trade-off studies, select the preferred preliminary design and produce the initial estimates of performance. It will also provide expertise in electric motors, power electronic components and microelectronic control systems.

Under a separate consulting agreement, Daihatsu Motor Company, Japan's leading maker of battery-powered vehicles, will provide manufacturing expertise to GE. Daihatsu has built more than 3,000 electric and hybrid vehicles since 1965.

This spring, GE will deliver to DoE two new electric cars which have been designed to include state of the art electrical and electronic components. They will have a stop-go urban range of 75 miles and a driving range of 125 miles at a constant 35 mph, using high energy density lead acid batteries.

Less risk of getting a puncture

NATURAL expanded rubber made in a one-piece mould to fit the inner contour of vehicle tyres is claimed to give highly effective protection for inner-tubes from sharp objects which have penetrated the tread.

Designed for vehicles with inflatable tyres used in heavy industry and for off-highway operations where there is a high risk of punctures the Shield system—as it is called—is produced to fit both radial and crossply tyres of almost every size.

The Shield was developed and patented by the Brigade Tire Co., Oakville, Ontario, and is now being marketed in Britain by the Canadian company's newly-formed subsidiary of the same name. Brigade Tire is at 62A, High Street, Cowbridge, South Glamorgan, South Wales (044-63 3200).

● PROCESSES

Clean water saves money

SAVINGS in water purchase, treatment and discharge costs have been achieved by Texas Instruments at its Bedford factory by the addition of Permutit-Boby reverse osmosis plant to the company's existing process water treatment facilities.

Supplied and installed by Permutit-Boby, together with associated filtration, chemical dosing and cleaning equipment, the plant recovers up to 70 per cent of the 20,000 gallons/hour of waste water formerly discharged to drains. The recovery and re-use of this water has also increased the service cycle of the existing demineralisation plant by a factor of 10-20 times, reducing chemical consumption labour time, and increasing ion exchange resin life.

Prior to the addition of the recovery unit to the water pre-treatment plant the annual effluent discharge levy was £27,000. This has now been reduced to approximately £10,000 per annum.

The reverse osmosis plant at Bedford consists of three units incorporating Du Pont type B9 hollow fibre permeators for water separation. Each RO module is fitted with a stainless steel 10 micro filter and chemical dosing equipment for membrane protection. The complete installation also includes automatic rinsing and chemical cleaning facilities.

The T.I. installation is the first Permutit-Boby/Du Pont reverse osmosis plant to be employed on an integrated water recovery scheme.

Permutit-Boby, 632, London Road, Isleworth, Middlesex TW7 4E7. 01-560 5199.

NEW £10m

Biggest rope machine

AFTER a manufacturing period of approximately one year, Krupp has delivered the world's latest stranding machine to the Gelsenkirchen plant of Thyssen Draht AG, Hamm, Germany.

This machine can produce round-strand ropes measuring 36 to 305 mm in diameter, as well as locked-coil ropes up to 180 mm diameter. Its overall length is 85 metres and it weighs 670 tonnes, including the bobbins. The stranding frame, which is equipped with eight 2400 mm diameter bobbins each with a capacity of 20 tonnes, describes a circle with a maximum diameter of 7400 mm. It rotates at a speed of 20 rpm when loaded with 20-tonne bobbins or at 40 rpm with 10-tonne bobbins, resulting in a mass of rotation of 387 tonnes including the weight of the rigid frame. The core strand pay-off positioned behind the machine rotates at a speed of 8 rpm. The double-wheel capstan has two 5000-mm diameter wheels and exerts a pull of 60 tonnes.

The take-up drum, measuring 600 mm in width and 5000 mm in diameter, can coil up to 200 tonnes of finished rope which at a diameter of 305 mm, for example, gives a rope length of about 750 metres. Equipped with an electronically-controlled hydrostatic drive rated at 15 kW the take-up is self-traversing over a width of 6000 mm. The drum speed is variable from 0.5 to 10 rpm.

A new feature in stranding practice is the electrically-controlled pneumatic pay-off brake developed by Krupp which maintains uniform strand tension for all strands.

Fried. Krupp, 43, Essen, Postfach 10, Federal German Republic.

● CONSTRUCTION

Breaks it all up

DESIGNED TO break up concrete, cut asphalt, demolish heavy foundation material and backfill trench or foundation work is an electric hammer the most powerful electric breaker in the world.

It is called the 2500, delivers 14,000 blows a minute and has just been introduced by Kango Electric Hammers, Lombard Road, Morden Road, South Wimbledon, London SW19 3XA (01-542 8544).

Power is supplied in the form of a new 2200 watt motor, coupled with a heavy duty version of the company's electropneumatic hammer action which puts a lot of impact behind the tool. When used indoors, it is simply plugged into the mains.

Specifically designed as a portable electric tool, it can be put into operation long distances away from power sources. Used in upper storeys of buildings, or in deep basements, a long way from the mains supply, all that is needed is a lightweight portable generating set.

Features include grease-packed lubrication, which only requires replenishing every 200 working hours; double electrical insulation — additionally, insulated hand grips ensure operator protection should the tool hit a buried live cable; and it is available in this country in two versions—240 and 110 volts. Latter version is supplied with a transformer so that none of the breaker's mains flexibility is lost.

Supplementing the hammers is a comprehensive range of tools including drills and chisels of various types, plus a number of special-purpose tools and a line-up of complementary lightweight generators.

For road maintenance

INCLUSION OF a preheater system and spreader conveyor has resulted in improved performance of its road planer Mk IV, claims Braham Millar, PO Box 3, Bishop's Stortford, Herts. (0279 53134).

Pre-heater consists of a single row of 30 high pressure burner nozzles to heat the road surface in front of the wheels. Two lever controls allow half or full width heating and height and angle of the preheater is adjustable. Full heating width is 2,440 mm which can be split into two halves to enable a half cut to be made with the machine.

Attached to the head of the elevator is a small conveyor to facilitate the distribution of material within the collecting lorry. Angular adjustment of the conveyor is by a hand operated hydraulic pump and rams, and transmission is by hydraulic motor.

Cover-all for site and workers

QUICKLY PORTABLE and easily erected (two men are needed), a polythene worker hut can doube up as a protective cover for a swimming pool under construction, or an archaeological dig where artefacts exposure to the elements is critical.

Looking somewhat like a half-buried egg, the hut consists of heavy grade polythene and is attached to a galvanised tubular steel frame, secured at the base at either side of the structure to a specially designed clipping bar.

Protecting personnel, or areas of work from rain or frost, in its standard form the unit has a width of 24 ft by 46 ft and a height of 6½ ft.

Cost of the hut is £350, available from the maker, Polybuild, Alresford, Hampshire (096273-4155).

● OFFSHORE INDUSTRIES

Taking the strain

WHEN A floating structure is connected to the sea bed by a cable, or two floating structures are likewise connected, there is always the problem of reducing intermittent shocks and strains caused by movement of the sea.

A device known as a heave motion compensator can be used to ease the load on a cable and the latest of these is claimed to offer improved critical response times and a low weight to load ratio.

The device is made from stainless steel and weighs under a ton. It can be made to either British or American standards for loads up to 100 tonnes for all sea states and will maintain almost constant tension or compression.

The manufacturer, Keymat (Power and Safety) Hydraulics of Pennine Way, Stockton, Cleveland (0642 612421) lists applications ranging from towing and mooring ships, to crane safety and protection of offshore structures.

● *By agreement between the Financial Times and the BBC, information from the Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

● ENVIRONMENT

Keeping the diesels quiet

NOISE suppression equipment by ICI Acoustics has assisted a plan for Britain's first viable fully automatic and energy recuperating diesel generating station of its kind to go ahead. Permission to proceed was given, in the knowledge that effective measures for environmental noise protection had been built into stringent standards laid down by the local Hereford City Council.

This project, which has some unusual aspects, is designed both to supply electricity to the local 11 kv grid, and at the same time convert heat which would otherwise be wasted into some 15 MW of steam power for direct use by nearby factories.

The generating system will allow the two main 10,400 BHP diesel engines, each of which drive a 7.5 MW generator to produce electricity, to operate at close to their full rating, whilst a series of heat exchangers pick up waste heat from engine exhaust gases, cooling water, and lubricating oil to produce the steam power.

An overall plant efficiency of around 76 per cent will be achieved on full load, twice that of a conventional generating station, resulting in fuel oil savings of some 15,500 tonnes per year, or £750,000 at 1973 prices.

Hereford City Council was determined to protect the environment for people nearby and the scheme would not have been approved if the MEB had not been able to produce plans to muffle noise emission from the main engine-house.

Initial investigations by MEB engineers showed that noise levels of up to 120 dB(A) could exist in the engine house with both engines running. This had to be reduced to 32 dB(A)—little more than a whisper—at 450 metres. Subsequent to further research the specification for background noise was finally established at the much more severe level of 38 dB(A) at 100 metres.

ICI Acoustics designed the engine-house and produced a scheme for an externally-clad portal frame structure, with a double-skin ICI Acoustics "Decorform" panelling system internally (incorporating a separating cavity for optimum sound insulation). A comprehensive ventilation system was also designed, with all necessary fans, ducting, silencers, fire dampers and grilles, and the project was completed with acoustic doors, removable access panels, lighting, control panels and special crane supports built into the portal frame structure.

The result was that ICI Acoustics was awarded a contract worth around £200,000 by Sir Alfred McAlpine and Son (Southern)—main contractor for civil engineering work—for the design and erection of a noise-secure engine-house for the MEB station.

ICI Acoustics, Rosanne House, Bridge Road, Welwyn Garden City, Herts, AL8 6UF. (Tel: Welwyn Garden 23400).

● AUTOMATION

Control at a distance

BASED ON nearly 200 years of experience in designing equipment for mining, John Davis and Son (Derby) (0332 41671) has developed a remote control and monitoring system based on both centrally and peripherally deployed microprocessors.

Its long association with mining has enabled the company to use only well proven operational techniques and purchasers have the assurance that problems of interface compatibility and safety certification will have been properly dealt with.

Basically the system consists of a master station with crt and light emitting diode displays, able to exchange data with up to 127 outstations each of which in turn can monitor up to 40 transducers. Communication, over the relatively long distances involved in mining, is by frequency shift keying on two or four core cable, with high immunity to electrical interference.

Behaviour of the system is determined by programs kept in the microprocessor memories and changes—for example the addition of more conveyors—can be accommodated without hard wiring modifications.

Use of distributed intelligence reduces the data traffic between an outstation and the centre, increasing the capacity and flexibility overall. Another important advantage is that information relating to the state of the plant and associated transducers is stored at the outstation and retained if the cable connections are broken.

The use of CMOS integrated circuits means that the complex units can be operated with small, safer power consumptions. In addition, many of the circuit boards are common to master and outstation, simplifying maintenance.

The company plans to introduce outstations for other purposes including a model for environmental monitoring.

● AGRICULTURE

Farm power on the spot

DEVELOPED BY Shannon Power Services, Leigh Street, Walshaw, Bury, BL8 3AL (061 761 1434) is an alternator that can be coupled directly to the power take off shaft of an agricultural tractor via an integral gear box.

The generator is available in 16 single and three phase sizes spanning three to 50 kVA and is designed to fit any tractor three point lift. Thus, a sizeable electrical supply can be taken to any location on the farm for immediate use.

Engine speed of 500 rpm is increased by the gearbox to the synchronised speed of the generator (1500 rpm), producing 50 Hz single or three phase output which is simple to connect up on site. The Hardy Spicer mechanical link is also connected in a matter of minutes.

● COMPUTING

Electronics to the aid of the law

RECOMMENDATIONS for the establishment of a computer-assisted legal information retrieval system in the United Kingdom have been put forward by the Society for Computers and the Law.

Systems of this kind are in use in North America and Europe, and the Society, which exists to encourage the use of computers by lawyers and others concerned with law, stresses the importance of establishing such a system in order to make the law more accessible to professionals and others within the United Kingdom.

The volume of law is now so great and the cost of researching the law by traditional means so high that the provision of legal services to the general public client body is at risk of being priced out of the market. Lawyers have difficulty in keeping themselves up-to-date and the majority of small and medium-sized firms cannot afford the sophisticated library and other information resources which are available to the large City firms.

Although the services offered to lawyers by law publishers in England and Wales are among the best in the world, the majority of lawyers cannot afford to take full advantage of the services offered and in Scotland and Northern Ireland, where the practising legal professions are small in comparison with their English counterparts, law publishing is becoming increasingly uneconomic.

The Society stresses the importance of establishing a system which will be capable of servicing the whole of the United Kingdom and which will be priced at a level the great majority of legal practitioners will be able to afford.

Further from the Administrative Secretary, Society for Computers and Law, 11 High Street, Milton, near Abingdon, Oxon, OX14 4ER.

● METALWORKING

New £10m Dutch foundry

ONE OF the most modern iron foundries in Europe is expected to come into full operation in March at Bergen op Zoom in the south-west of Holland.

Some £10m has been spent on the venture by Asselbergs-Holland NV which has installed the Disamatic 2070 equipment developed in Denmark by Dansk Industri Syndikat A/S. With this equipment moulds measuring 950 by 700 by 200 to 560 mm can be produced at rates up to 275 per hour and, with its precision core placement facility, up to 250 core moulds an hour.

Activities at the plant are concentrated on the manufacture of valves for pipeline systems, equipment for the separation of solids and liquids, machined and unmachined castings and welded fabrications and vessels. The foundry is completely automatic and a remotely controlled analysis and inspection system feeds back information on all stages of production to a central laboratory.

When the plant is fully operational Asselbergs-Holland will tackle the UK market for castings up to about 100 kg. The company thinks its products will be of especial interest to the machine tool industry, gearbox makers and manufacturers of trucks and trailers.

In anticipation of UK business the company has opened an office in Water Street, Bakewell, Derbyshire. (Bakewell 2897.)

THE MARKETING SCENE

Getting out the Eurovote

THE £1.1m promotional campaign launched this week to encourage a high turn-out for the European Parliament elections on June 7 is adopting a deliberately neutral, informational stance so as not to offend British sensitivities on the issue of EEC membership, writes *Michael Thompson-Noel.*

Tim Denehy, chairman of Lintas, the London advertising agency involved, said yesterday: "Six of the Nine are totally in favour of the EEC Parliament, but the situation is not so straightforward in France, Denmark and Britain." Apart from a lower level of Euro-enthusiasm, Britain's turnout at Parliamentary polls is traditionally lower than that of some other EEC members.

The Euro campaign, funded by the European Parliament and EEC Commission, will be in three stages. The first, launched this week, involves PR and travelling exhibitions aimed at supplying as much information as possible on the working of the European Parliament and the background to the elections. There are 78 Euro-constituencies in Britain.

Stage II, a £500,000 advertising campaign, will run from Easter to mid-May, exclusively in print media. Television will not be used, partly because of the IBA's attitude to "political" advertising, and because the story is thought too complex for TV. The print ads will use the themes "Have Your Say on 7th of June," and "Use Your Eurovote."

Finally, three weeks before the election, all advertising and PR will cease, clearing the way for the campaigns of individual candidates.

The quiet start to the publicity campaign in Britain is in sharp contrast to events in France, where a similar campaign has stirred up a rumpus. Nonetheless, Ecom, the French agency involved, has produced a series of posters that adopt a strongly dramatised Euro-theme.

According to Ecom's Daniel Cole: "In our panel testing we found that the French, deep down, have a highly romantic vision of a possible Europe. That's why we chose our theme, 'Europe Stands For Hope.'" One poster shows the yacht Treaty of Rome sailing against the wind.

Television is Britain's biggest advertising medium. IAIN MURRAY describes the continued vapouring on the subject of TV-4, and MICHAEL THOMPSON-NOEL explains the magnitude of the current ITV boom.

More currents of hot air

THE ETHERIC prospect of a fourth television channel continues, perhaps fittingly, to be the cause of much vapouring and a great deal of hot air.

Though the Government, after some vacillation, has accepted the idea of an Open Broadcasting Authority as recommended in the Annan Report, the present political uncertainty ensures that the debate is still a lively one.

At a recent conference in London, various protagonists voiced their claims with unabated vigour, each speaker seeing in the prospect of a fourth channel the potential fulfilment of his own set of dreams.

For Phillip Whitehead, MP, the leading architect of the OBA, a fourth channel, fashioned to his specifications, would unleash the creative talents of untold scores of independent producers and rid the nation of the duopoly of the BBC and ITV. "The monopoly of the duopoly," as he put it, in a phrase that would have pleased Lewis Carroll.

For Julian Critchley, MP, chairman of the Conservatives' Media Committee, a fourth channel run by the Independent Broadcasting Authority would happily meet the twin Tory objectives of reducing taxation and Government spending, and preserving and strengthening the existing institutions which govern broadcasting.

Understandably, that view was endorsed by the IBA and the Independent Television Companies Association, both of which feel that the fourth channel is their's by right and would greatly complement the existing service supplied by ITV.

As for the advertising industry, represented by the IPA and ISBA, the fourth channel should in their view be used without delay to introduce competition into the selling of TV time.

As the chorus of conflicting opinions grew, some were left confused; others, like Mr. Whitehead and Mr. Critchley, simply left early. But before departing, Mr. Whitehead had a vision. "Everywhere I see the notion that the independents should have a voice," he declared. "The age of pluralism has come."

There was, he said, no God-given right for any of the organisations currently operating within the commercial system to have the fourth channel. Furthermore, the larger the number of channels, the better. Even if the OBA attracted only 5 per cent of total viewers, that would still be a service. In any case, catering for minorities did not mean making unpopular programmes.

As for finance, that would be no problem. "It can be found from the existing system," he claimed. "The ITV companies are embarrassed by the money they are making."

Not at all, retorted Bill Brown, deputy chairman and chief executive of Scottish Television and chairman of the ITCA. In real terms, the contractors' profits and income were no greater than they were in the mid-1960s.

"There can be little doubt that the OBA would have only the most fragile chances of survival if it had to rely on the sources of income so far suggested. The Government itself recognises this inherent weakness by acknowledging in the White Paper that a government subvention would be needed. All the indications are that the OBA would remain a State pensioner for a very long time—perhaps for good."

Mr. Brown offered an assurance that if the ITV companies were given the fourth channel the result would be a truly comprehensive service for viewers; guaranteed air-time, finance, and a strong voice for the independent producers; and benefits for advertisers, who would be provided with a new means for promoting specialised goods and services.

However, an OBA wanting to break away from its Government hand-out would inevitably popularise. "They will compete with ITV 1, and the logical end result of that is two popular channels sharing current ITV income and thus impoverishing both."

David Lamb, advertising manager of Rowntree Mackintosh, stubbornly refused to shrink before the spectre evoked by Mr. Brown. On the contrary, he did his best to exorcise it in ringing tones. In every TV area except London, he said, there was a monopoly, and the advertiser was being exploited.

"It has been a consistent position of the ISBA," said Mr. Lamb, "that there should be competition in commercial TV—especially in the sale of air-time—so that a proper balance should be struck between supply and demand."

All this talk of competition did not commend itself to Anthony Pragnell, deputy director general of the IBA. A service competing with the existing system, he said, would cost about £100m if it took the form of an OBA, about twice the cost of a complementary service provided by the IBA and the existing contractors.

As far as selling was concerned, competition for the advertisers' custom could rest on nothing other than competition for the audience. Complementarity provided a reason for scheduling programmes in the way that served the viewer best.

On the evidence of the conference, the battle for the fourth channel is still perceived by many as one worth fighting with nothing yet lost. Mr. Critchley pointed out that the White Paper has still to be debated, and the Home Secretary has so far taken no steps to start the engineering work necessary to introduce TV 4.

Even so, the prospect of a Conservative Government pledged to introduce ITV 2 still spells defeat in the eyes of the advertising world.

And the troughs shall be peaks

A FURTHER indication of how demand for airtime on ITV boomed last year has surfaced in a comparison by Media Expenditure Analysis of the MEAL figures for rate card expenditure on TV and the network's own ITCA figure for net revenue after deducting agency commission.

During the peak year of 1973, the contractors' net revenue of £189m was only 16 per cent below MEAL's full rate card expenditure tally of £225m.

Last year, net expenditure was even closer to the MEAL gross than in 1973. At £427m—a 21 per cent gain on the previous year—it was a mere 12 per cent below MEAL's figure for rate card spending. On an indexed basis, the difference between the two sets of figures was closer in each quarter, except the second, than in 1977. Because of the levelling out of peaks and troughs in the pattern of airtime demand, the threat of rationing on some stations last autumn was averted only by a very narrow margin. November's revenue, at £46.7m, set a new monthly record for ITV.

That doesn't sound very good for advertisers, though in the first issue of Viewpoint, the new marketing journal of the ITCA, Jim Shaw, sales director at Thames Television, is fast off the mark in pointing out that last year, nearly half the station's advertisers spent less than £50,000 each.

"Television, especially in London, is often assumed to be outside the scope of the smaller advertiser. What is not realised is that nearly 50 per cent of our advertisers spend less than £50,000 per annum."

According to Mr. Shaw, a profile of Thames' advertisers last year (449 of them), shows that 47 per cent spent less than £50,000, 16 per cent £50,001-£100,000, 19 per cent £100,001-£250,000, 16 per cent £250,000-£1m, and only 2 per cent more than £1m.

In terms of brand building and product launches, I'm not at all sure what you're expected to hope to achieve for less than £50,000; still, the figures may be of marginal comfort to the "smaller" advertiser, and in the current TV situation beggars can't be choosers.

The new ITCA journal is notable, incidentaly, for a short but sharp warning by Pat Hawker, the IBA's chief engineer, to those in danger of being carried away by contemplation of our electronic, in-home future, and the magical array of new technology we are supposed to be on the verge of welcoming into our living rooms.

By November, colour TV in Britain will be 10 years old, a success story from the word go. But unless you count the pocket calculator, says Mr. Hawker, no entirely new major consumer electronics device has made a comparable large-scale splash in Britain in the past decade.

"Of course the publicists have tried to tell us otherwise. To judge from the media, video-cassette recorders, video discs, video-games, two way interactive cable systems, micro-processor programmed tuning, teletext, 'citizen band' mobile two-way radio, surround sound, home computers, direct broadcasting from satellites, giant screens, fibre-glass 'cables' have all arrived . . . and arrived . . . and arrived.

"Meanwhile, the unimpressed viewer continues to sit in front of his (TV) set. Even the Americans, long the trend setters in seeking the new, are reported to be getting just a bit over-sold on and under-interested in magical technological systems for the home. The age of information and the home computer has certainly arrived for the enthusiast—but there is a big gap between the hobby market and a full-blown consumer boom."

NEW PRODUCTS

The Lever philosophy

BY PETER KRAUSHAR

LEVER'S NEW PRODUCT PERFORMANCE

	Year of Launch	Estimated 1978 Turnover (£m at MSP)	1978 Market Share (%)
Persil Automatic low suds detergent	1968	33	60
Comfort fabric softener	1969	8	40
Sunlight Lemon washing-up liquid	1972	7	10
Jif liquid abrasive	1974	4	60
Drive high suds detergent	1975	8	5
Shield toilet soap	1976	5	12
Vigor liquid floor cleaner	1977	2	20

IN THE 1960s, Procter and Gamble was rightly held to be the marketing university of Britain and tended to hold the initiative over Lever Brothers. 1969 was the low point for Lever's, with P and G's Ariel achieving a 25 per cent share in its test areas and eroding Persil's share, while Lever's Radiant was not proving a very successful answer to Ariel.

Since then, however, Lever's has taken a consciously tougher approach to marketing and new product development has become an important factor. The company has adopted a policy of conducting the most meticulous evaluation of new opportunities, and in those cases where a real opportunity is discovered, every possible resource is put behind it both in terms of the launch and subsequent development.

Real commitment to development has been built up within every department. Very few projects finally reach the market place, but those that do benefit from a level of commitment, attention to detail, and marketing support which few other companies in packaged goods can match.

Seven brands have been launched in the past 11 years, as the table shows. Persil Automatic is easily the brand leader in low suds detergents; Comfort leads in fabric softeners; Sunlight Lemon is No. 2 in washing up liquids; Jif is brand leader in liquid abrasives; Shield is the brand leader in toilet soaps; and Vigor is No. 2 in floor cleaners and the brand leader in the liquid sector. There cannot be a company in Britain that would mind such a record.

The vital product was Persil Automatic. Lever's anticipated the trend towards automatic washing machines, put a great deal of technical development as well as marketing effort behind the product, and has continued to improve it since its 1968 launch, relaunching it four times overall. As a result, Standard Persil, the Lever's flagship brand which at one time achieved a sales peak of 100,000 tons a year, has come down currently to 50,000 tons, but Persil Automatic has now achieved 75,000 tons in its own right, doing wonders both for the brand and company.

Comfort was launched to take on a pioneering job for softeners in the UK, following their success in the U.S. The advertising probably talked too much about softness and too little about the product function, but the long years of effort have paid off and Comfort still retains the initiative and brand leadership, despite the launch of Colgate's Softlan and, more recently, P and G's Lenor.

In the washing up liquid market, on the other hand, Lever's has never succeeded in coming near Fairy Liquid, though the recently relaunched Sunlight Lemon currently holds second place and has taken some share from Fairy Liquid.

Jif liquid cleaner had been marketed in France in the early 1950's and was launched in the UK despite the small market size. It cleans better and is more pleasant to use than the powder cleaners, but it has not been easy to achieve consumer trial for what is a relatively new and small product category.

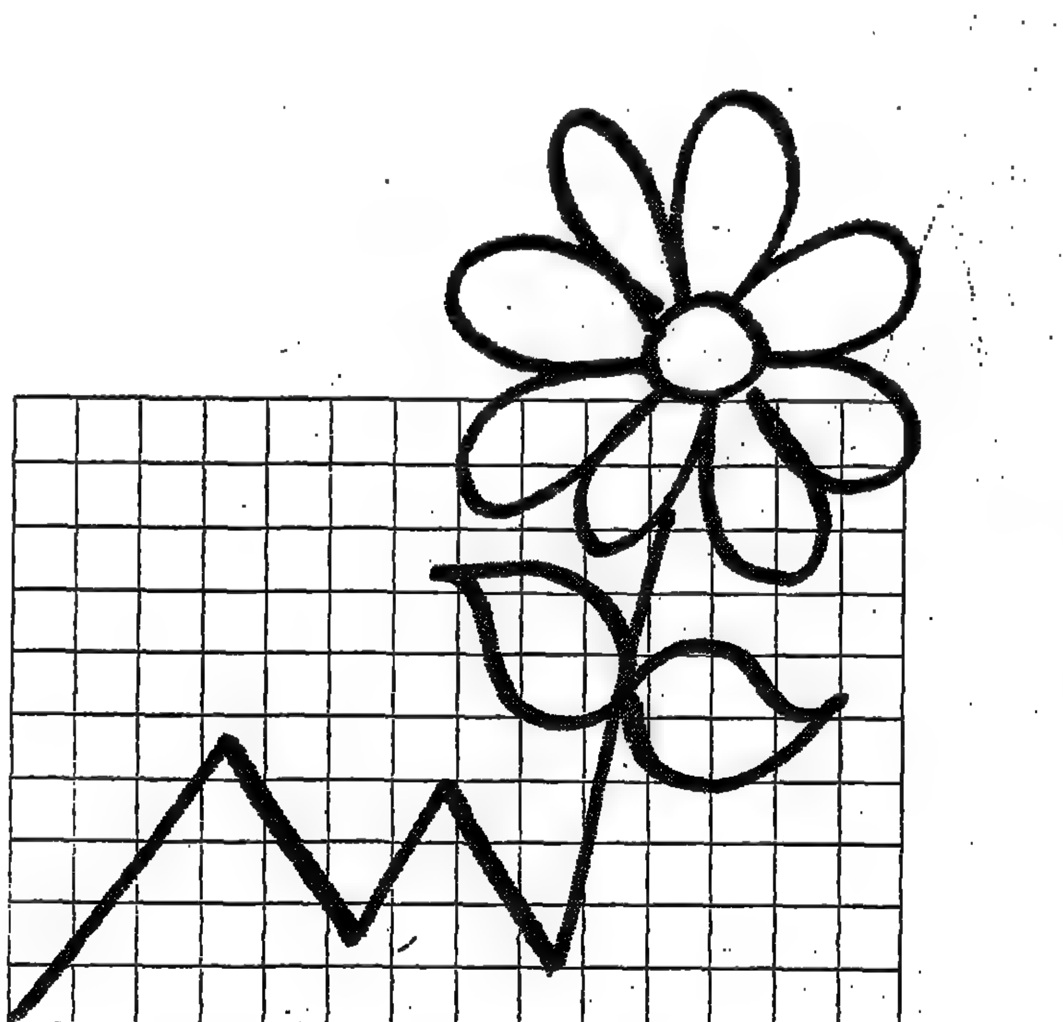
Drive was a defensive launch and represented Lever's latest attempt to obtain a higher share of the high suds detergent market. It is now profitable and reflects Lever's most successful effort in P and G's strongest sector, but an enormous marketing effort was needed to achieve even 5 per cent.

Shield, on the other hand, has been an extraordinary success. The initial target was a 5 per cent share in toilet soaps for a premium priced product, but it was then decided to seek market leadership at average prices. The combination of the marbling, the distinctive shape, the deodorant and the freshness properties, all backed by persuasive advertising, led to immediate market leadership with a share ranging between 15 per cent and 20 per cent. Unfortunately, Lever's raised Shield's price and the competition did not follow. The share has dropped, but the brand has still been a great success.

It is interesting that although Lever's has tried to establish a separate new product development department, it has for now decided to split its new product effort within the marketing groups. This must reflect the fact that the main development effort is in the company's current markets and that re-development of current brands is an important feature. Half the current sales volume is accounted for by brands launched since 1968, an impressive achievement in difficult and very competitive markets.

A powerful machine has been developed to find and launch new products. The chairman is personally involved and runs the development brand review to decide where the company is to put its resources on a priority basis. Great importance is attached to evaluation and market research expenditures are large. The development of advertising and its evaluation play an important role, and the salesforce is well drilled to handle few but large operations.

What of the future? Where will Lever's find its growth in the 1980s? Where are the new opportunities in what tend to be static and competitive markets? Can it afford to ignore markets new to it? Can its approach be as successful in more radical diversification? Here is a company that is clearly not happy unless it is brand leader in every market in which it competes, and which is aggressive enough and efficient enough to prove a formidable competitor in most areas. One only wished that such an un-British attitude were more common. Lever's search for continued growth should be well worth watching.



THE JOBS COLUMN, APPOINTMENTS and BUSINESS OPPORTUNITIES

Dilemma of the head-hunter's head-hunter

BY MICHAEL DIXON

THERE CAN be few career-minded people who would not dearly like to be acknowledged as "the professional's professional" in their line of work. So on the one hand, Neil Margerison ought to feel delighted.

After 11 years of specialising in the personal-approach methods of recruiting known as executive-search, the managing director of London-based MSMS International has just gained the right to call himself "the head-hunter's headhunter."

On the other hand Mr. Margerison's distinction of being recruited by a recruiter to executive-search an executive-searcher, would seem to entail a certain snag.

To justify the accolade, he presumably will have to do the job as well as it can possibly be done. The job is to find somebody to redevelop a £2m turnover recruiting concern's executive-search activities, after a year's pause for reorganisation. So whether or not Neil Margerison realises it, the only way he can live up to the title of the professional's professional is by providing the competing headhunters with someone who will put him out of business.

Perhaps in the end he will feel compelled to accept the logic of his strange position, and solve the problem by taking the job himself. For the time being, however, he is opening the opportunity to readers of this column with the guarantee that, since he may not name the employing concern, he will honour any applicant's request not to be identified to the client until specific permission is given at a later date.

Candidates need to have demonstrated ability as business men by managing a successful commercial operation with *emphasis on marketing*. In addition they should have senior experience in recruitment, preferably including executive-search work, and so be able to arrive in the new job already equipped with contacts worth a good deal of fee income.

In return, the chairman of *the* British-owned employing group—to whom the newcomer will be responsible—is offering not only a £10,000-£15,000 basic salary plus bonus on billings, but also favourable prospects of becoming the general manager *of the group's London-based* recruitment division.

The age-indication is 40 to 50, and readers wishing to know more should telephone Mr. Margerison on 01-493 6807. Written applications giving brief *details of relevant* qualifications can be sent to him at 115, Mount Street, London W1Y 5HD, or by Telex to 27950.

Since (as will also be emphasised by the next item on today's agenda) skilled head-hunters seem to be in rising demand in the United Kingdom, Neil Margerison feels that the person best equipped to compete with him might well be one of the band of international executive-searchers working elsewhere in Europe. As well as the fluency in English which such people possess as a matter of course, however, an international candidate would have to have experience in the *English, as distinct from the* American, "culture" of recruitment. The most graphic description I have heard of the difference is that in America a head-hunter is expected to work for the client like a hired gunman, whereas the English-type counterpart is required to serve *more* like a gamekeeper.

Cambridge

A BRACE of professional recruiters are simultaneously be*ing sought* by Geoffrey King although he, by contrast with Mr. Margerison, is keeping things simple and engaging them for his own company, Cambridge Recruitment Consultants.

Mr. King is one of a now *largish number of head hunters* who prefer to work from outside *London, but over the eight years* since he started has built up an *international clientele including* established giants and medium-*sized but rapidly growing con*cerns based on advanced technology.

So there will be a good deal of travel, particularly in the UK, for the people he recruits although their base will be in Cambridge. While preferably still aged in their early 30s, they will need already to have established contacts, ideally in a range of different businesses, and to be able to show that they can *use* their contacts effectively.

Another requirement is "high intellectual abilities," says Geoffrey King with a trace of the academic arrogance which seems to pervade Cambridge. (It was the dons' insistence on their scholarly quiet, I *gather*, that caused the university city's railway station to be built a long, dreary bike out of town. Some day I'm going to find out how many shares in local taxi firms are owned by the university colleges).

"In other words, we are looking for outstanding people. That's *what all recruiters say*, I know, but the jobs are unusually interesting," he adds. "We are not a company which aims to please the whole of industry — we have been successful in working with a limited number of forward-looking companies, in depth."

Basic salaries will be £8,000 to £10,000, plus bonus. Applications with brief *evidence of* suitability to Mr. King at 1a *Rose* Crescent, Cambridge CB2 3LL — Telephone 0223 311316.

Metal watcher

NOW TO Gino Rican, of Churchill Personnel, who tells me that in spite of apparently bountiful supplies of economists with resplendent academic qualifications, he can't find one with the sort of experience he wants.

Actually, it's not really Mr. Rican who wants it, but a big United States owned corporation which he may not name. Thus he too has promised to abide by a request from any applicant not to be identified to the employer until specific permission is given.

The job, in London, is for a metal market analyst keeping expert watch on market movements in metals throughout the world, although with a particularly keen eye on aluminium. The recruit will be responsible to the managing director of the group's UK subsidiary company, *for analysing market trends and* making sound recommendations as to what the company should do about them.

While a degree in economics would not be sniffed at, Mr. Rican says, it is not really necessary. Far, far more important is practical experience of *maintaining economic watch over* the metals business, and if this *has included a period* as an analyst with a stockbroker, then so much the better.

English is the only essential language, but Gino Rican adds that there seems no reason why the job should not go to one of the brotherhood of international executive types currently working outside the U.K.

The salary indication is £12,500, but I assume that this cannot be a rigid figure because the age range runs from 27 to 45. Mr. Rican would prefer to *receive inquiries by telephone* on 01-828 5055. However, compulsive pen-pushers could send their career outline to him at Abford House, 15 Wilton Road, London SW1V 1LT.

Far-flung

FINALLY, a celebration. Just over a fortnight ago I wrote *that David Sheppard, my com*manding officer in the Royal Navy in the early 1950s, had turned head-hunter and ordered me to signal that he was looking for a finance-director for the Hammerson Property and *Investment Trust*.

Well, it seems that thanks to Jobs Column readers, I shall not be court-martialled. Sir, in fact, seems most impressed. One candidate even rang him up from San Francisco. I do not know who that far-flung reader is, but if he is ever in *London* I should like to buy him a drink.

SOLICITOR/ BARRISTER

Massey Ferguson, a world-wide organisation producing three main groups of products — farm machinery, industrial and construction machinery, and diesel engines — require a Solicitor/Barrister to join their head office legal department. The position will be based in London, but applicants should be prepared to travel overseas from time to time. The small legal team is concerned with:

— Joint venture project negotiations and implementation overseas.
— The sale of company products world-wide including distributor agreements, supply arrangements and tenders.
— Patent and trade mark licensing.
— Employment laws in the UK and overseas.
— Identification of trends in UK and foreign legislation and their impact on company policies and procedures.

Candidates should be aged 26-33, have at least 4 years experience in practice or industry, and a thorough knowledge of both UK and EEC legislation. They may have qualified in the UK or elsewhere and must be able to establish an effective working relationship at senior management level both within and outside the company.

We will pay a competitive salary for this management position, plus normal large-company benefits including a lease car and BUPA cover.

Please write with full career and personal details to:
Mr. N. Travis, Personnel Manager (Watford),
Massey Ferguson Holdings Limited,
46 Clarendon Road, Watford, Herts. WD1 1HQ.

MF Massey Ferguson

International Finance

Schering-Plough Corporation USA offers a challenging career opportunity for a qualified accountant or business graduate with a financial background to join its European headquarters in Switzerland, in the FINANCIAL REPORTING AND ANALYSIS function of the Regional Controller's Department.

The position is based in Lucerne and reports to the *Manager of this function; responsibilities* include:

- Review and analysis of subsidiary financial reports.
- Review of subsidiary accounting systems and internal control procedures.
- Assistance in development of operating and strategic plans and operating plan projections.
- Trouble-shooting and special purpose analytical projects.

To be a successful candidate for this unique position you should have some background in financial analysis, preferably in an international environment, and have familiarity with U.S. reporting methods and knowledge of automated financial systems. Since you would be travelling *to our various subsidiaries from time to time* to accomplish the above tasks any knowledge of European languages in addition to English will be an advantage but is not essential.

As well as providing a very attractive working environment this position offers a career-minded young professional the chance to join a highly successful organisation in a position from which he can expect to develop an international career in the finance function.

Interested applicants should write with full details of career to date and present salary to: The Employment and Personnel Services Manager, Essex Chemie AG, Topferstrasse 5, 6004 Lucerne, Switzerland.

SCHERING U·S·A

CHIEF ACCOUNTANT DESIGNATE

Lancashire Circa £9,000

Our client a major engineering company with an enviable growth record and part of a successful group, wish to appoint a Chief Accountant Designate.

This is a first class career opportunity with an early promotion prospect to Chief Accountant. The position is a new one affording considerable scope to make a significant contribution to the development of accounting practices in the company.

The ideal candidate will be a Chartered Accountant, aged 30 to 40, whose experience in the profession included management of public company audits and who has since successfully filled a senior post in a public engineering group with responsibility for or close involvement in Cost and Management Accounting. Applications from qualified A.C.M.A.'s who can offer experience as Chief Financial Accountant in a public engineering group and the specified Cost and Management Accounting background would also be welcome.

The company can offer first class career development, together with an attractive benefits package, including Pension, Free Life Cover, Assisted B.U.P.A., generous sickness benefits and relocation costs where appropriate.

Would interested candidates please write or telephone for an application form to:

Bryan Greenwood,
The John Dalton Partnership Limited,
38 Hoghton Street,
Southport,
Merseyside PR9 0PQ

Tel. Southport (0704) 38776

THE DALTON PARTNERSHIP
Management Selection & Recruitment Consultants

The large International Division of a Major European Automotive Manufacturing Group requires:–

An ambitious Export Sales Graduate

The company is increasing its world-wide share of the highly prestigious and competitive market in heavy duty trucks, and is also successful and active in allied fields, including mobile construction equipment, high quality cars and engines. This is a new appointment with prime involvement in the heavy truck market in Saudi Arabia, and opportunities of involvement with other Group products in due course.

It is an excellent career opportunity for someone who wishes to develop his career in the heavy automotive industry. Previous experience in the industry though not mandatory is desirable: a linguistic ability and a knowledge of the Middle East are advantages.

Our client is looking for a "good salesman" with energy and tact, for this demanding appointment which is well rewarded. The remuneration package can be flexible to suit personal circumstances and may cover all accommodation, car, and air fares for himself and family. It provides an excellent opportunity to build up some tax free personal saving, with opportunities of developing a career within this International Group.

Saudi Arabia **Age 26-40** **Salary up to £18,000**

Applications with relevant qualifications should reach me as soon as possible quoting MT.

Robin R Whalley
INTERNATIONAL APPOINTMENTS (LONDON) LTD
(Executive Recruitment Consultants)
Grosvenor House, 66/68 Haymarket, London, SW1
Telephone: 01-839 1602/4
Cables: Interappt, London SW1

Financial Director Designate

to succeed within two years the retiring Financial Director of a national civil engineering and building contractor. North West-based, the company is substantial (turnover exceeds £50m.) and quoted with healthy profits, strong assets and an appetite for growth.

Responsibility, through a dispersed staff, is for the total finance and accounts activity with early emphasis on computer developments.

The Board expects a full contribution to company policy and strategic decisions.

Probably in their 40's, candidates must be FCA with extensive experience in senior financial management in the contracting industries (ideally construction). A strong commercial motivation is essential.

Salary negotiable £12,500–£15,000; car, re-location help, etc.

Please send career details—in confidence—to D. A. Ravenscroft ref. B.25478.

This appointment is open to men and women.

MSL
United Kingdom Australia Belgium Canada France Germany Holland Ireland Italy New Zealand South Africa South America Sweden Switzerland U.S.A.

International Management Consultants
Management Selection Limited
474 Royal Exchange Manchester M2 7EJ

TEACHING COMPANY SCHEME

ASSISTANT DIRECTOR

The Scheme, jointly funded by the Science Research Council and the Department of Industry, brings University and *Polytechnics into major programmes in* manufacturing companies aimed at achieving significant changes in the firm's operations. Graduate Teaching Company Associates supported by the Scheme, work and learn with senior company and academic staff and should rapidly forward their careers to senior management. Seventeen programmes have been established throughout the UK.

The Assistant Director is a temporary senior appointment in the compact central office, based at Swindon but with extensive UK travelling. The role is to support the Director in advising and contributing to the engineering and management operations of the individual programmes and in identifying and preparing new programmes and proposals for special support and technology transfer.

This challenging post requires exceptional qualities of comprehension and judgement to work effectively with top industrial and academic staff in a wide spectrum of manufacturing industry. Suitable applicants will be qualified engineers with extensive management experience or those possibly younger regarding the post as a step to senior management or consultancy. *Fixed term secondment to the post will be considered.*

The Assistant Director will be appointed for a period of about 2 years with remuneration in the range £6,609 to £8,729, excluding Superannuation provision. Exceptionally, a higher salary may be negotiated.

SRC

Application forms are obtainable from
Mrs. A. P. Roythorne, SRC Manpower Section,
P.O. Box 18, North Star Avenue,
Swindon SN2 1ET, Wilts.
(Tel. No. 0793 26222, Ext. 2372.)
Completed applications should be returned to Mrs. Roythorne by 2nd March, 1979.

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General Manager

Bahrain

The post requires a senior executive with the ability to adapt his demonstrable achievement capability to local trading conditions and management style.

He will report to the local Board for all the Company activities in Bahrain and for relations with associated companies.

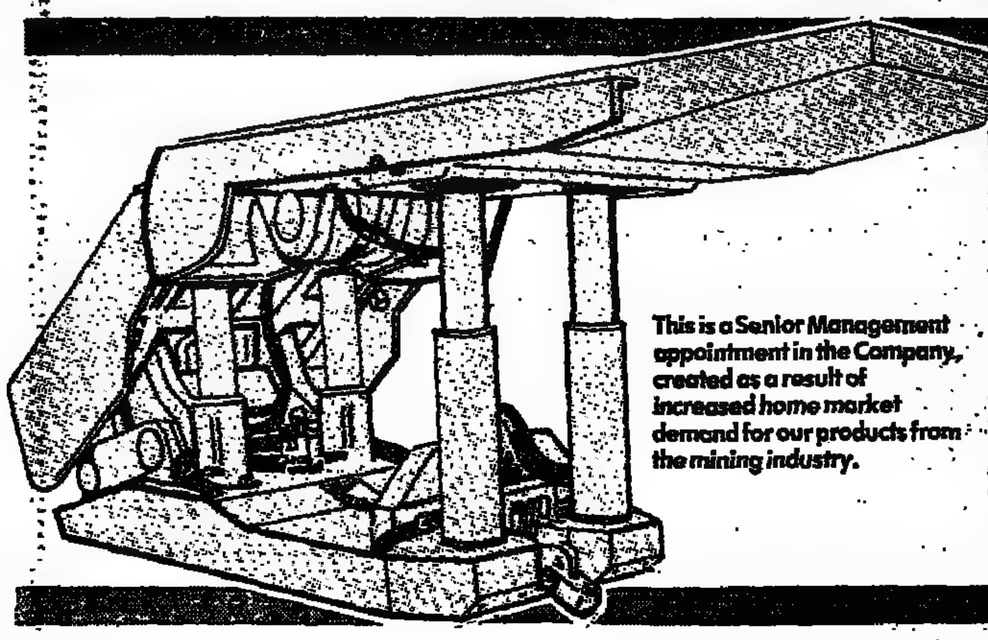
Relevant experience would include at least five years at chief executive level in similarly substantial and varied merchanting organisations. A formal academic or professional qualification is desirable and the preferred age range is 35-45.

The terms of employment are exceptionally attractive and include:

* Substantial tax free salary.
* Free furnished air-conditioned accommodation and services.
* Company car.
* Six weeks annual leave with free air passages for self and family.
* *Free medical facilities.*
* Valuable contributory capital accumulation fund up to 30% of salary per annum.
* *For married staff with children, education allowances up to £1,400 per annum* per child.

Interviews will be in London. Firstly, please write with brief personal and career details to: Recruitment Executive, Kanoo Group Limited, 1 Balfour Place, London W1Y 5RH.

Kanoo



SALES EXECUTIVE Mining Engineering

This is a Senior Management appointment in the Company, created as a result of *increased home market* demand for our products from *the mining industry*.

The Company

Gullick Dobson Ltd., is a rapidly expanding £multi-million manufacturing Company in the advanced technology field of mining equipment for home and export markets and a member of the highly successful Dobson Park Industries Group.

The Person

Candidates should be enthusiastic, creative, ambitious mining engineers with considerable experience of longwall mining techniques, preferably aged 35-45, who can demonstrate their initiative and ability by previous experience at a senior level within the mining, mining equipment, or engineering industries, preferably including responsibility for sales.

The Job

Reporting directly to the Sales Director, the successful candidate will be responsible for promoting the sales of Company products to the mining industry in the United Kingdom, from planning, forecasting and market research to installation and underground maintenance. He will also be responsible for promoting and maintaining good relations with senior customer management.

The Rewards

Terms and conditions of employment *are commensurate with a senior* appointment within a well established and forward thinking organisation.

Applicants should apply in writing to:
Mr. J.A. Gilbert
Divisional Personnel Manager
Gullick Dobson Ltd
PO Box 12
INCE
WIGAN

GULLICK DOBSON LTD.
World leaders in the manufacture of mining roof supports and mining equipment

هكذا من الأصل

Managing Director
Builders Merchanting Scotland to £18,000

J. & W. Henderson, a member of the Cement-Roadstone Group, is the leading builders merchanting organisation in Scotland with 500 employees and turnover around £35m. With a first-rate management team, extensive national coverage and substantial interests in other industrial services, the company is well positioned to continue its successful growth into the 1980s.

An outstanding *Managing Director* is required to take responsibility for the profitable development of the company. As well as expanding the existing business there is much scope for innovation and diversification. The *Managing Director* will have the support of an internationally respected and rapidly growing parent group and will also participate in group activities as a member of the *European Management Board*.

Candidates, aged 35-50, will have proven their ability to run a substantial, largely autonomous business. Familiarity with the control requirements of a vigorous modern company is essential. Equally important is the commercial flair which will be needed to identify and react to opportunities for diversification and growth.

Please write in complete confidence, quoting ref. 1025, to Michael Waggett, who is advising on this appointment.

Odgers MANAGEMENT CONSULTANTS
Odgers and Co Ltd. One Old Bond St, London W1X 3TD 01-499 8811

City | Five figure salary

Manager Credit Analysis

A vacancy exists in Orion, an international investment bank, for a banker, aged between 25 and 32, with a university degree and trained in Credit Analysis on the American system. He/she will be responsible for the initial training of graduate and/or professionally qualified management trainees prior to attendance at an external course in financial analysis and their subsequent supervision in the application of analytical skills.

The department, consisting of up to seven members, is responsible for the normal credit review procedures and the financial analysis of new projects. The Manager will control the allocation of tasks, the standards of work and general development of trainees. In addition, the position calls for someone who can undertake special projects at the request of top management and be involved, as required, with clients in the drafting of loan documentation which involves travel worldwide.

A first-class remuneration package including non-contributory pension, mortgage, health insurance, etc. is provided.

Applications, which will be treated in strict confidence, should be accompanied by a curriculum vitae, and addressed to:

The Personnel Director,
Orion Bank Limited, 1 London Wall, London EC2Y 5JX
Tel: 01-600 6222

ORION

Director National Tax Office

Thomson McLintock & Co is establishing a national tax office to provide a specialist advisory service to monitor tax developments, disseminate news and views and provide opinions on specific tax issues. The director will be responsible for developing the policy of the new organisation, setting it up and piloting its future growth.

Age and professional discipline are secondary to outstanding technical ability, a substantial record of achievement, a talent for creative thinking and the ability to represent the firm in the whole field of tax.

Remuneration is not a limiting factor and will reflect the seniority and exacting nature of the appointment. Partnership is open to a chartered accountant; equivalent status to any other discipline. Location: City of London.

Alternatively, candidates may prefer to write to the firm's advisory consultant, who will not transmit any information to the firm without the consent of the applicant. The consultant is P G Richardson The Faculties Partnership Limited 177 Vauxhall Bridge Road London SW1V 1ER.

Thomson McLintock & Co 70 Finsbury Pavement London EC2A 1SX McL

FINANCIAL MANAGER
(Director Designate)

Surrey | c £8000 + car

The company, part of a publicly-quoted British engineering group with a good profit record, has sales of over £2m. and employs around 200. It is run as an independent profit centre within the group, and is growing steadily in its field of electromechanical assembly and electronics. The Financial Manager will manage and improve the provision of all accounting and management information, using a mini-computer, and will be expected to play a reasoned, positive and commercial role in the company's affairs.

The successful candidate, male or female, should be professionally qualified and aged 30–40. Experience in the two main product areas would be useful, but more important are strength of personality and achievements in the financial controls area. Success could lead to a Board appointment within a year, with increased earnings prospects.

Please telephone for an application form, or write briefly and in confidence to:

PERSONNEL SELECTION

Personnel Selection Limited,
46 Drury Lane, Solihull, West Midlands B91 3BJ. Telephone: 021-705 7399 or 021-704 2851.

Senior Auditors
LIBYA

For the National Oil Corporation based on the Mediterranean coast at Tripoli.

These jobs are for developing and auditing systems in the fast growing and rapidly changing environment of the largest industrial organisation in Libya.

Candidates should be Chartered Accountants with at least 5 years' post qualification experience, preferably gained in the petroleum industry. Arabic would be useful.

Salaries and benefits will be fully in line with leading expatriate employment practice.

Applications, addressed to the Deputy General Manager, Finance & Services, should be submitted to the address below by 28.2.79. It is hoped that the selected candidates will be able to join the Corporation in April 1979.

C/O AGECO,
35/38 Portman Square (7th Floor),
London W1H 9FH.

Unit Trust Accountant
CHANNEL ISLANDS

Our subsidiary company in Guernsey is seeking a person well experienced in U.K. orientated Unit Trust work to undertake the full accounting function for a diverse range of funds in various currencies. The successful candidate, who it is envisaged will not be less than 35, should be able to interpret legislation.

A professional qualification is not essential if the requisite experience has been gained.

As well as a competitive salary we offer valuable fringe benefits and if appropriate assistance with housing in Guernsey.

Please write in strict confidence giving full but concise details of age and career history to:-

The General Manager, Kleinwort, Benson (Guernsey) Limited,
P.O. Box 44, The Grange, St. Peter Port, Guernsey.
(marked for the attention of Mrs. Scowen)

KLEINWORT, BENSON
Merchant Bankers

Financial Controller
circa £12,000 + car

A French merchant bank wishes to appoint a Financial Controller for their expanding London branch who will be responsible to the Manager for all financial reporting and accounting matters at the branch. The Financial Controller will supervise 6 accounting staff and will be particularly concerned with:

- the production of periodic reporting statements for local management and for the parent company in Paris and statutory returns for the Bank of England
- reviewing and rationalising existing accounting and information systems and where necessary developing and implementing new systems and procedures

Applicants must be qualified accountants. As considerable maturity is required, suitable candidates are likely to be between 32 and 40 years of age and to offer at least 5 years' post qualification experience in financial situations. Experience should include successful installation and development of systems and the supervision of accounting staff.

The position provides an opportunity for career development in a challenging and exciting environment. The commencing salary will be negotiated at circa £12,000 pa. A company car and non contributory pension, life assurance and health insurance schemes are provided and additional attractive fringe benefits include a low interest loan for house purchase.

Candidates, male or female, can make application by quoting reference MCS/2044 and requesting a personal history form from Ashley S Phoenix, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse Associates

c £15,000 p.a. tax free

Operations Manager
SAUDI ARABIA
Credit Cards

Graduate or professionally qualified manager. Previous credit card or similar experience essential. Evidence of management ability and profit responsibility must be demonstrated. Excellent prospects. Free furnished accommodation, company car, medical/life cover, pension and generous leave arrangements.

Suitably qualified candidates please phone 01-493 7117 for application form quoting MRD 9005 (24 hour answering service).

MRD

Management Recruitment Division
BOYDEN INTERNATIONAL LTD.
11/15 ARLINGTON STREET. LONDON. SW1A 1RD.
LONDON, PARIS, BRUSSELS, GENEVA, ROME, MILAN, MADRID, BARCELONA, TOKYO, HONG KONG, CARACAS, MEXICO CITY, SAO PAULO, AUCKLAND, MELBOURNE, SYDNEY, JOHANNESBURG AND THROUGHOUT THE USA.

Chief Accountant

Far East | *Five Figure Salary*

A well established plantation company with their head office based in London seeks a Chief Accountant who will be resident in the Far East.

The successful candidate is to be responsible for the entire financial function of the subsidiary companies in the Far East. This will include training and delegation to local staff as part of a forward looking policy.

This appointment will suit experienced qualified accountants who may have already worked outside the United Kingdom. Age range is over 30.

The remuneration package is in five figures plus good fringe benefits, including free accommodation and annual leave in the United Kingdom.

Candidates, male or female, should write for a personal history form, quoting reference MCS/5043 to Roland Orr, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse Associates

General Manager
-Vice President | Electronics
Berkshire, England

Early promotion creates this vacancy for a General Manager (reporting to a U.S.-based Group Vice President) to assume total responsibility for maintaining growth of a successful, European based, independent electronics marketing subsidiary (T/O $20m) of a diversified American industrial group. Candidates, (male or female), must have a minimum of five years total electronics marketing experience (including three years in Europe), three years managerial experience and possess strong modern management skills needed to lead, through multinational subordinates, a group of eight companies marketing sophisticated electronic capital goods. Applicants below 35 are unlikely to qualify. Compensation is significant, including an incentive bonus, appropriate international fringe benefits and relocation assistance. A written CV is required (including a telephone number) listing companies to whom it should not be forwarded. Ref 1101/FT. Apply to R. P. CARPENTER FCA, FCMA, ACIS, 3 De Walden Court, 85 New Cavendish Street, London W1M 7RA.

Phillips & Carpenter
Selection Consultants

BOEING ENGINEERING & CONSTRUCTION INTERNATIONAL, INC.

has requirements for

SYSTEMS ENGINEER

Completely versed in the disciplines of hazard, safety, fault free, FMEA and reliability analyses. A minimum of three years' offshore petroleum project experience is required including assignments related to interface control and offshore hook-up and commissioning liaison.

PROJECT PLANNING AND CONTROL ENGINEER

Extensive background in project planning and control and project management. Must be well versed in project management control procedures. A minimum of 1½ years' offshore petroleum project experience is required.

Both positions will be London-based.

Reply in confidence, enclosing detailed curriculum vitae, to:

The Manager
Boeing Engineering and Construction International, Inc.
Heathrow House, Bath Road, Cranford
Middlesex TW5 9QQ

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

HEAD OF TREASURY | Negotiable five-figure salary

A consortium bank with major international bank shareholders is shortly to appoint a Head of Treasury.

We invite applications from candidates aged over forty who possess wide experience of currency and Sterling interbank markets, Foreign Exchange administration, liabilities management, and lending operations. Acceptability by the Bank of England is essential; knowledge of a European language would be an added advantage.

The bank offers an excellent salary, fully in line with the current market. In addition, there is the usual range of fringe benefits associated with a senior international banking appointment.

Please contact: NORMA GIVEN (Director)

LEASING MANAGER | Negotiable five-figure salary

Our client, a leading American international bank, intends to appoint an experienced executive to take responsibility for the development of Tax-based Leasing business at its Regional Office in London.

The position will involve negotiating, and providing an operational support service for, a significant flow of equipment leasing transactions. We therefore seek a marketing-oriented and highly numerate individual with several years' relevant business experience, which should include exposure to the legal and tax considerations of the equipment leasing industry. Candidates should also be experienced in the use of computers for analysis purposes.

The responsibilities of the appointment will be compensated by a highly competitive salary and benefit package.

Please contact: SOPHIE CLEGG

First floor–entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

Chief Accountant

City c.£10,000

Prominent and expanding Merchant Bank

Our Client is a distinguished and developing international merchant bank. The current requirement is for a Chief Accountant to assume responsibility for the development of management and financial information systems, and the overall supervision of a compact accounting department.

Suitable applicants will be Chartered Accountants in their late 20's, ideally with merchant or international banking experience. Additionally, a strong sense of responsibility and the ability to manage a team of people effectively are regarded as essential personal qualities.

This represents a most attractive opportunity to contribute to a growing organisation of stature.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd

60 Cheapside, London EC2, Telephone: 01-248 3812/3/4/5

Group Financial Director

Gloucestershire *around £15,000 p.a.*

A major UK industrial group, with a current turnover of over £40m, wish to recruit a group financial director. The person concerned will report to the group managing director and be responsible for co-ordinating effective financial and management accounting and EDP procedures, budgeting and financial planning for all companies in the group.

Applicants must be chartered accountants, preferably with a degree, and will probably be aged 30-40. The successful candidate will have the drive and experience to lead the continued development of the group management accounting systems and techniques which are expected to play an important role in maintaining operational profitability. Furthermore, the successful candidate will be expected to contribute by sound financial judgement to the group's planned expansion and diversification programme.

Applicants will need to have the personal qualities to enable him or her to work effectively with the senior management team and outside organisations and the determination and ambition which will allow him or her to take advantage of the career prospects that only a major group such as this can offer.

Candidates must have the ability to justify a salary of around £15,000 pa. Normal fringe benefits will be paid including a company car. Relocation expenses will be paid in appropriate cases.

Candidates who are interested in this challenging position with a progressive and expanding organisation should write in strictest confidence for a personal history form, quoting MCS/FC68 to:
DR Palmer, Executive Selection Division,
Livery House, 169 Edmund Street, (PO Box 120),
Birmingham B3 2JB.

Price Waterhouse Associates

U.S. Subsidiary in High Growth Situation

RECENTLY QUALIFIED ACCOUNTANT

Central London £7,000 plus excellent benefits

Engaged in the provision of services to the Oil Industry, our client operates on a worldwide basis. The company currently has a compound growth rate of 25% and plans to increase turnover seven fold in the next ten years.

Reporting to the Chief Accountant, the successful candidate will provide a complete financial service for a given region, monitoring performance and maintaining close contact with Senior Regional Management.

Candidates, male/female, will be recently qualified (A.C.A., A.C.M.A., A.C.C.A.) and preferably aged in their mid-20's. They should demonstrate a self confident, flexible approach and the ability to liaise effectively with management of varying disciplines.

Success in this appointment will lead to opportunities for advancement both in the U.K. and in overseas locations.

For more detailed information and an application form, contact Nigel V. Smith A.C.A. or Robin F. Taylor B.A., C.A., quoting ref. 2318.

Commercial/Industrial Division

Douglas Llambias Associates Ltd.

Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel. 031-226 7744

DLA

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Could you produce a conference?

London to £6,500

Our client is one of the largest conference companies in Europe. It has the backing of an international group with resources that are the envy of its competitors.

The requirement is for a person with a legal background and practical business experience. After an induction period the Producer will have sole responsibility for the legal areas including the origination of subjects and the co-ordination of speakers, advisors, hotels, hostesses and a small administration team.

Women or men who see themselves in a demanding and fast-moving environment and who seek to develop their talents and skills should write or call Roger Parkes quoting ref: 309 at:

oyez Oyez Recruitment,
Norwich House,
11/13 Norwich Street,
LONDON EC4 1AB.
Tel: 01-404 5721.

A subsidiary of The Solicitors' Law Stationery Society Limited

Unhappy Senior Executives Wanted

You can be frustrated for any reason at all, real or imagined. Over a salary you think is too low, and may well be. Over rewards or benefits that are too stingy. Over a lack of responsibility, lack of incentive, lack of opportunity, lack of recognition of your talents—over lack of anything, including a future. We're here to help resolve the frustration. We can show you how good you are—and at what. We can help you obtain the right job, if you're in the wrong one. With the right company and the right people.

As for the right attitude, once you know yourself, you will adopt it. You can manage your career. You will benefit from an intial confidential discussion with us.

Simply dial 01-734 0752, and ask for John Ball, Senior Partner. Or write to him at:

Royston Ridgeway career managing people

Kent House, 87 Regent Street, London W.1.

Pharmacia

Pharmacia is an integral part of the Swedish Fortia Group. The company is engaged in the research and development, production and marketing of pharmaceuticals and in vivo diagnostics on an international basis. The head office of the company is situated in Uppsala, Sweden, and the company has subsidiaries in 14 countries and is represented in 90 countries. At some of the subsidiaries clinical research, development and production are carried out besides sales.

Our main products are infusion solutions, chemo-therapeutic and dermatologic preparations. Debrisan, Allergen extracts and some other preparations within, to us, partly new areas of therapy are examples of products recently introduced or which will be introduced before long.

The total sales amount to about Skr 350 million.

Director - pharmaceutical research and development

The company has reorganized its research and development and needs for this new organization a person to take on the functional responsibility for all pharmaceutical research and development within and outside Sweden as well as the daily responsibility in Uppsala.

The position is subordinated to the company's research director.

We are seeking an able, targetoriented person with initiative and the capacity of motivating and stimulating his staff. We believe a research background is necessary, and that you have

- a good knowledge of the branch.
- pharmaceutical education with an academic degree.

All replies will be handled confidentially and your name only given to the employer upon your consent.

If you need further information, please call Mr. Svein H. Johahsen, management consultant of Asbjörn Habberstad AB, Gothenburg, Sweden, tel. no 031-80 35 80 who is assisting in this matter, or call research director Erik von Sydow of Pharmacia AB, Uppsala, Sweden, tel. no 018-11 11 00.

Your written application together with your list of qualifications and references should be marked "S-904" and submitted before February 28 to

Asbjörn Habberstad AB

P.O. Box 512, S-401 27 Gothenburg.
Stockholm · Oslo · Copenhagen · Helsinki · Brussels.
Leading management consultants in Scandinavia.

Banque Nordeurope S.A.

Banque Nordeurope is a Luxembourg-based consortium bank owned by Faellesbanken for Danmarks Sparekasser A/S, Copenhagen, Girozentrale und Bank der österreichischen Sparkassen A.G., Vienna, Skopbank, Helsinki, Sparbankernas Bank, Stockholm, Union Bank of Norway Ltd., Oslo and WestLB International S.A., Luxembourg.

Banque Nordeurope is an active participant in the Euromarkets with a special emphasis on the Nordic countries.

As a result of its continued growth and a planned expansion of the scope of its dealing activities, the following positions have become available:

Senior Foreign Exchange Dealer

Experienced in the spot and forward exchange markets. Some knowledge of the deposit markets would be appreciated. Knowledge of French or German would be an asset.

Assistant Dealer

Required is 2–3 years experience in the settlement sector of a bank. It is planned that the candidate should form part of the dealing team after having familiarized himself with the back-office operations.

Competitive remuneration in accordance with experience and ability.

For further information please contact Mr. D.R. Engel, Managing Director.

Applications including Curriculum Vitae should be forwarded to:

Banque Nordeurope S.A.

Personnel Department
47, boulevard Royal, Luxembourg.
Telephone: 27696.

MANAGEMENT ACCOUNTANT

Limelight Furniture Ltd., a wholly owned subsidiary of the Bowater Corporation, is seeking a Management Accountant. We are interested to hear from young men/women educated to 'A' level standard who are qualified or nearing qualification as accountants.

The vacancy, which carries wider responsibility than that normally associated with pure accounting, offers a career base with a major corporation for an ambitious person.

The candidate must be experienced in controlling accounts office staff, capable of working to strict time schedules and have at least 2 years' commercial accounting experience.

This position would be of interest to people *currently earning £6,000.*

Please apply giving full details thus avoiding the necessity for an application form to:

**Richard Holt,
LIMELIGHT FURNITURE LTD.
Stadium Works, North End Road,
Wembley, Middlesex.**

LIMELIGHT

SPACE-FITTA

Account Executives

The London office of a leading NYSE member firm requires Account Executives to handle Middle Eastern business. The successful candidates must be Registered Representatives—NYSE, with comprehensive knowledge of and experience in all aspects of the U.S. and Canadian Securities Markets, Commodities and Eurobonds. Fluency in Farsi, Hebrew and English essential, with knowledge of Arabic advantageous. Base salary £10,000.

Please write, in strictest confidence, enclosing career details to Box A.6651, Financial Times, 10 Cannon Street, EC4P 4BY.

We are one of Luxembourg's major banks and a wholly-owned subsidiary of Bayerische Vereinsbank, Munich, a German banking group with worldwide interests.

For our fast-expanding operations we require a

Foreign Exchange Dealer

with experience in FUTURES TRADING

and a

Eurobond Dealer

Candidates should be familiar with the technicalities of the relevant markets and have a sound professional background. A working knowledge of German and French will be an advantage but is not a prerequisite.

Applicants should write or phone
Dr. Helbig or Mr. Meyers,
Bayerische Vereinsbank International
Société Anonyme
17, rue des Bains
Boîte Postale 481
Luxembourg
Telephone: 428611

BAYERISCHE VEREINSBANK INTERNATIONAL SOCIÉTÉ ANONYME
LUXEMBOURG

Chief Accountant

to £10,000 + executive car
Based West of London

We are a fast growing subsidiary of a major U.S. corporation manufacturing and marketing pharmaceutical and toiletry products.

The Chief Accountant is responsible to the Financial Controller for all financial and factory accounting, preparation of operating statements, systems development and treasury management. This responsibility includes control of a supporting team of 40 people.

The successful candidate, probably aged 28-35, will have held line positions and gained financial, costing and staff management experience in medium/large-sized organisations, using computer-based systems and operating to strict deadlines. He or she will now be seeking to consolidate this experience at senior management level in a stimulating and progressive environment.

A competitive starting salary, negotiable to £10,000 per annum, is offered together with the use of an executive car and other usual fringe benefits associated with a large multi-national organisation.

Ref: A8717/FT

REPLIES will be forwarded direct, unopened and in confidence to our client unless addressed to the Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Finance Director

Kirkby, Liverpool • £9,500+bonus and car

For the United Kingdom Construction and Engineering Company Limited which is part of West Group International Limited, a diverse and fast growing British engineering Group. The Company provides specialist mechanical erection, pipework fabrication and installation services to the process industries in the U.K. and overseas. Other interests are in pipe mainlaying and repair works as a Contractor to the British Gas Corporation. Current turnover is c. £10m; about 650 are employed. The recent record is one of significant growth in volume and profit.

The Finance Director will succeed the present encumbent who is being promoted. Reporting to the Managing Director, he or she will be responsible for all aspects of the Company's well disciplined accounting function and will be particularly involved in guiding and helping line management in the control of business operations. An NCR 499 computer is used. The Director will also be Company Secretary.

Candidates, aged 32-36, must be Chartered Accountants with several years' financial management experience in manufacturing industry, (ideally engineering), where they have been responsible for the complete accounting function of a company or subsidiary of a group. They must be familiar with e.d.p. as a user and accustomed to modern forecasting, control and reporting systems. Key benefits as a director include a sizeable profit-related bonus, excellent pension scheme, company car and removal help if necessary. Please write, in confidence, with relevant career details to H. C. Holmes, Bull Holmes (Management) Limited, 45 Albemarle Street, London W1X 3FE.

Bull Holmes

PERSONNEL ADVISERS

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CHIEF ACCOUNTANT

Insurance Broking Accounts

Stewart Wrightson International Group Ltd, the Lloyd's Broking subsidiary of Stewart Wrightson Group Ltd responsible for handling the group's international insurance business, wishes to appoint a Chief Accountant to lead a department of three Accounts Managers and fifty staff, located at its City Office and at Kingston-upon-Thames.

Reporting to the Finance Director, the Chief Accountant will be responsible for:

- Maintenance of Client and Insurers ledgers based on an IBM 370/138
- Collection and settlement of accounts
- Control of cash flow

Applications will be welcomed from qualified accountants who either have extensive experience of Lloyds Brokers accounting operations, or are able to demonstrate a capability of absorbing rapidly complicated market customs and accounting procedures.

Previous managerial experience will be an advantage.

The salary offered will be around £12,000 pa plus car, generous life assurance and non-contributory pensions scheme, BUPA etc.

Applicants should write giving brief details of career experience and qualifications to:

Mr K C F Lathrope Group Personnel Director
Stewart Wrightson (Services) Ltd
1 Camomile Street · London EC3A 7HJ

Stewart Wrightson
International Insurance Brokers

Senior Market Analysts

Harlow

Standard Telephones and Cables Ltd. are one of the world's leading manufacturers of telecommunications and electronics equipment and are in the forefront of new technology. They have now established a central new product development unit at Harlow in Essex that will be responsible for the initiation of product development to support both existing product lines and entry into new market areas.

The marketing activity within the new unit will have the responsibility for defining new product specification and the assessment of market requirements.

Experienced Senior Market Analysts are now required to prepare detailed market forecasts for selected product and business areas. They will report to the Marketing Manager and will additionally be responsible for the establishment of reference data and the provision of *future* forecasts.

The products will primarily, but not exclusively, be in the area of telecommunications. Applicants will be expected to have had experience in this or similar fields. They should also have at least 5 years industrial research experience in industry or with market research consultants. An honours degree is required and this is likely to be in economics, engineering or physics. Successful applicants will possess high intellectual ability and they will preferably have business and product planning experience.

The total renumeration package is very attractive and generous relocation expenses will be paid in appropriate cases.

Applications are invited from men and women who should write with a CV to: Mrs. B. Sell, Standard Telephones and Cables Ltd., Oakleigh Road South, New Southgate, London N11 1HB.

STC Changing the face of communications worldwide

Lending Officer

Major International Bank

Our Client is currently expanding its lending activities in Europe and now seeks a thoroughly experienced lending banker to maintain and develop business in France and various other areas.

Candidates, aged 28-35, should have a degree or professional qualification together with a sound credit training and a proven ability to negotiate corporate banking business. Experience of conducting business in French is essential and a knowledge of German or Dutch would be useful. The successful applicant will also need to demonstrate strong personal qualities, particularly that of self-motivation.

This position, which is London-based, offers considerable scope for further career development and candidates of the required calibre will find the salary and benefits package extremely attractive.

Contact A. J. Tucker, MA, AIB, in confidence on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside · London EC2 · Telephone: 01-248 3812/3/4/5

Hudson Shribman

International Recruitment Consultants

AUDITING OPPORTUNITIES IN INTERNATIONAL BANKING

City £6,500-£9,000 + Benefits

Our client is one of the world's leading International Banking Organisations. Due to additional responsibilities and promotions, the European Internal Audit Team has several challenging vacancies for A.I.B.'s in the age group 25-35.

Essential requirements for candidates are previous exposure in either a Clearing or International Bank environment, plus a sound technical knowledge in all aspects of Banking.

Fluency in another European language and experience of Bank inspection or auditing will be an advantage.

Successful applicants will gain a full insight into the Bank's activities, with occasional trips to overseas offices and will be given opportunities to develop their careers.

The excellent benefits package will include low-cost mortgage, a non-contributory pension and bonus scheme.

Please reply in the first instance to:—M. J. Hudson.

Hudson Shribman International Ltd
29-31 Mitre Street, London EC3
Tel. 01-283 1954

Food Protein Marketing

Business Development Executives

EAST EUROPE AROUND £15,000

The European subsidiary of a major U.S. food Corporation wishes to appoint two ambitious, young and internationally-minded Business Development Executives.

Working from Brussels and travelling extensively in Eastern Europe, their task will be to enlarge the Company's market penetration in that area.

The personal requirements are stringent. Candidates must be of graduate status and unquestioned integrity, combining commercial flair with diplomacy and stamina. They are likely to be around 30 and to have knowledge of East European marketing operations.

Fluent English is essential; a second language would be a decided advantage, as would knowledge and experience in a technological environment.

Please apply in writing, giving your telephone number and quoting Ref: R105, to Robin Podd, B.Sc., M.B.A., Barnett Keel Ltd., Providence House, River Street, Windsor, Berks SL4 1QT. Tel: Windsor 68723. Telex: 849323.

Barnett Keel
INTERNATIONAL

Charles Barker
Confidential Reply Service

Please send full career details and list separately companies to which we should not forward your reply. Write the reference number on the envelope and post to our London office, 30 Farringdon Street London EC4A 4EA.

Strategic Planner

£10,000 plus car

Our client, a major international bank ranking among the top 25 banks in the world, are looking for an eager beaver with a lot of imagination and a head full of ideas. The job, which is based in London, will be to lead a small team charged with analysing opportunities for international expansion. It will include identifying acquisitions, recommending product diversification in finance related fields and analysing the economic and political situations in overseas countries to identify potential areas for geographic expansion. In addition, as part of the management of the central planning team, the job-holder will be expected to participate in the formulation of the bank's strategy for the future.

Whilst we have an open mind as to the sort of person who will fill this post, the successful applicant will most likely be aged between 25 and 35 and will have a degree in economics or law. He or she should also ideally have experience in banking and some exposure to planning procedures although these are not absolutely essential. The key characteristics will be a fertile imagination and the ability to produce ideas which will help us to continue to grow in the competitive world of international banking.

We see the job as a stepping-stone to a more senior position in the bank if you live up to expectations.

Emoluments are negotiable depending on experience but will not be less than £10,000 per annum plus a car and the usual fringe benefits.

Ref: 1532

EUROBOND MANAGER

We are seeking an experienced Eurobond trader/executive to take responsibility for all areas of our Eurobond underwriting, placing and trading activities.

The successful applicant will have wide experience in international bond dealing including functioning as a market maker and knowledge of settlement procedures. An added advantage will be the ability or the potential to place and negotiate bond issues and to syndicate loans on behalf of government and corporate borrowers.

It is anticipated that the position will require regular visits to Australia to co-ordinate activities with government and corporate clients.

Salary will be competitive and negotiated in accordance with experience and potential. Location London. Application in confidence to:

B. J. Gallery
Ord Minnett
Members of The Sydney Stock Exchange Limited
1 College Hill, London EC4R 2RA

01-626 7031

Chartered Secretary

Bermuda c.$28,000 tax free

Our clients are a leading Bermuda law firm and offer an interesting and progressive career opportunity to a qualified (FCIS or ACIS) and mature (probably aged 35-45) Chartered Secretary who would join their professional team in managing a wide variety of companies.

You should have a sound knowledge of the statutory obligations of companies under the English Companies Acts. You will need to be a good manager, able to motivate staff to achieve high standards of service, as well as a good administrator with a keen eye for detail. You must possess initiative and a strong sense of responsibility.

In return you will receive a progressive salary, a health insurance scheme and other benefits, including air passages, for an initial two-year contract subject to Bermuda Immigration requirements.

Telephone or write for an application form quoting reference R2310/FT on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

PKbanken International (Luxembourg) S.A.

which is a wholly owned subsidiary of PKbanken, Stockholm, is an international bank working on the Euromarket in Luxembourg. At year end 1978 its total assets amounted to LFrs 17,9 billion.

As a result of the expansion withing the PKbanken Group, the present Deputy to the Managing Director of PKbanken International (Luxembourg) S.A. has been promoted and will be returning to the Parent bank in Sweden and we are now looking for his successor.

Besides the functions as Deputy, the areas of immediate responsibility will be credits and marketing related activities.

The applicant should be between 30-40 years of age and have a broad experience in the above areas. Consequently he should be outgoing and customer oriented. A good knowledge of foreign languages is required. Knowledge of Scandinavian language is desired, but not a prerequisite.

Applications should be sent as soon as possible, but not later than February 20, 1979 addressed to the

Managing Director
PKBANKEN INTERNATIONAL (Luxembourg) S.A.
Box 265, LUXEMBOURG

PKBANKEN

INVESTMENT ANALYSTS

Due to expansion, the Standard Life Assurance Company has vacancies for Investment Analysts at its Head Office in Edinburgh. The Company is the largest Mutual Life Assurance Company in the European Community with invested funds which exceed £2,000 million and which have been doubling every six or seven years.

Ideally candidates should hold a degree and/or a professional qualification and preferably have practical investment experience as well as theoretical knowledge.

Commencing salary will be based on qualifications and experience. The Company operates generous employee benefit schemes including Staff House Purchase Scheme, non-contributory Pension and Life Assurance Scheme, flexitime work, dining room facilities, etc.

Applications should be made in writing to:

Standard Life
3, GEORGE ST., EDINBURGH

MANAGER EUROBOND SETTLEMENTS

City. Negotiable from £8,500 + substantial benefits

Our client, the merchant banking subsidiary of a major American Bank in the Eurocurrency financial and capital markets, now wishes to recruit a manager as part of the small management team responsible for its Eurobond settlements area.

As well as general management responsibilities, the successful applicant will have specific responsibility for reporting and reconciliation duties covering all aspects of Eurobond transactions.

Candidates should have an accountancy or banking qualification together with practical experience of Eurobond settlement procedures and will probably be aged at least 27. They will be self-motivated and able to communicate effectively.

For more detailed information concerning the appointment and a personal history form, please contact Neville Mills, A.C.I.S., or Lindsey Pratten, B.A. quoting reference 2389

Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

C&L

Cumbria from £7,000 + car

PROJECT ACCOUNTANT

Our client has a turnover of £130m. from a wide range of agricultural activities and is now in the process of developing accounting and business systems to meet the needs of its expanding business in the North of England and Scotland.

Initially an experienced accountant or business graduate is required to work with a project team in developing these new systems. Subsequently it is anticipated that the successful candidate will occupy a senior position in either head office or operating divisions.

The man or woman appointed must be a qualified accountant or business graduate with a minimum of three years' varied experience in a sophisticated accounting environment. A sound knowledge of computer based management information systems is important.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to C. R. Williams, Executive Selection Division, ref. MA947, at the address below. Please include a daytime telephone number at which you may be contacted.

COOPERS & LYBRAND ASSOCIATES (SCOTLAND) LTD.
Management Consultants
Highland House, Waterloo Street, Glasgow G2 7DD.

MAJOR U.S. GROUP

Financial/Operational Review Group

C. London Base

To £8,000+Car+Benefits

Our client, which has a worldwide range of diverse manufacturing and marketing activities, is currently developing its substantial European operations.

The European Review Group plays an important role in monitoring activities and has broad involvement with operating units taking a "business" view on the effectiveness of finance, marketing, and production procedures. In addition, consultancy exercises cover acquisitions, treasury policy, etc.

Aged 24-28, candidates should be qualified accountants, ideally with a degree/M.B.A. and exposure to computer based systems. Free to travel, they should possess an international outlook and demonstrate the presence and commitment to succeed in a demanding corporate environment.

Prospects for advancement within the group are excellent.

For detailed information and a personal history form please contact Ian Tomisson or Nigel V. Smith. A.C.A. quoting reference 2388.

Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel. 031-225 7744

DLA

International banking opportunities worldwide

Lloyds Bank International needs additional experienced bankers to help continue its expansion into new areas and markets.

You will be aged 25–35 and ideally have the following qualifications:

- At least five years banking experience.
- Corporate and international lending skills.
- Marketing and negotiating skills gained in dealing with corporate customers.
- Knowledge of foreign exchange operations.
- Appropriate professional qualifications or degree.
- Fluency in at least one foreign language.

You should be prepared to assume an executive post in London or overseas after an induction period in Head Office. Your future prospects internationally are excellent.

As well as an attractive salary, LBI offers a fully comprehensive benefits package.

For further information and an application form, please contact Michael Thibouville on 01-248 9822 ext 6064 during office hours or 01-446 1890 in the evening.
Lloyds Bank International, 40/66 Queen Victoria Street, London EC4P 4EL.

LLOYDS BANK INTERNATIONAL
A member of the Lloyds Bank Group.
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Financial Director — Engineering

This is a very important and demanding new position in a major, private engineering group with a turnover approaching £40 million. The person appointed will initially play a leading part in the development of a recently acquired subsidiary company in South Wales with a turnover of about £3 million, which is confidently predicted to have a very bright future in a modern, advanced technological field. This is a subsidiary company Board appointment with an opportunity to earn further promotion within the Group. The successful candidate will be a *qualified Accountant with a sound record in company financial management, desirably in control engineering.* The preferred age bracket is 35–45 but relevant experience, maturity and proven success in financial general management, will be paramount. Attractive emoluments will be negotiated; other benefits include a car, and generous relocation assistance if required.

Male or female candidates should write in confidence to R. Varvill, or telephone (24 hour answering service) for a personal history form quoting reference V/116/7.

The P-E Consulting Group Appointments Division
1 Albemarle Street, London W1X 3HF Tel: 01-499 1948

PE

A career appointment in Financial Management

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A new appointment, city based providing the opportunity for board level involvement as

Group Accountant

within a highly successful independent group of companies in the financial services sector.

You will be responsible for the development of financial and management control and reporting systems within the group of 10 operating companies and have the option of personal development *in a specialised administrative and consultancy role.*

Qualification is essential for this *Key role—an ideal first move*—open to both a newly qualified or more experienced Chartered Accountant.

Call Robert Miles on 01-248 6321
Personnel Resources Ltd.,
Hillgate House, Old Bailey,
EC4M 7HS
Financial Appointments

Investment Department

Salary in range up to £8,000

The Corporation of Lloyd's has a vacancy for an additional person to join its Investment Department.

The Department is a small unit within the Finance Group engaged *in the management of portfolios* having substantial investments in government stocks and equities both in the U.K. and overseas.

The ideal candidate, male or female, will be in the middle to late twenties, possess a financially orientated degree or professional qualification and have about five years experience in the investment department of an insurance company or pension fund, a stockbroker's office or merchant bank. Younger candidates with a minimum of two years relevant experience are, however, invited to apply.

Fringe benefits are commensurate with *a large City based organisation* and include a non-contractual annual bonus, non-contributory pension scheme and life assurance cover plus subsidised lunches.

Applicants should send details of career to date to:

Mrs. S. M. Woollacott,
Assistant Personnel Manager,
Corporation of Lloyd's, Lime Street, London EC3M 7HA.
Tel: 01-623 7100 Ext. 2671.

LLOYD'S OF LONDON

Investment Assistant

c£7500-London

Sentry is a major American insurance company, medium sized in the U.K., at present, but rapidly expanding its operations and commitments here.

A vital part of our development plan is to strengthen our skilled investment management team, working in both London and Overseas Markets. Reporting to the Investment Manager, you will be concerned with all aspects of this function.

Probably in your twenties, you will already have gained some 2-4 years decision making experience in stockbroking, banking or insurance. Specifically, you will possess a sound knowledge of the major sterling investment markets, and experience of foreign markets would be an additional advantage.

Academic ability evidenced by a degree or professional qualification would be *preferred but is not essential.*

Conditions of employment are excellent and include 2½% contributory pension scheme, free life assurance, free BUPA, flexitime, LVs and 4 weeks' holiday.

Please write giving brief details of your age, education and career history to date to:

Mike Horner, Recruitment & Training Manager,
Sentry Insurance Management Limited,
56 Leadenhall Street, London EC3A 2BJ.

SENTRY

APPOINTMENTS ADVERTISING

Rate £16.00
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Phillips & Drew

PENSION FUND DEPARTMENT

Phillips & Drew have vacancies in their expanding Pension Fund department for Managers' Assistants. Duties will include responsibility for the day-to-day administration of Pension Fund investments.

Ideal candidates will be educated to 'A' level standard with preferably a minimum of one year's office experience.

Preferred age 19-21.

There are also vacancies at a more junior level where an 'O' level standard in mathematics is essential.

We offer a competitive salary, bonus, 40p luncheon vouchers and contributory pension scheme.

Please write giving full details to:
Staff Manager, Phillips & Drew
Lee House, London Wall, London EC2Y 5AP

Finance Director - designate

£17,500 + car

A United Kingdom based international company providing a vital service and the only British competitor in its field is expanding its operations geographically and functionally. The present Finance Director is looking for his successor to enable him to concentrate on the commercial future of the enterprise.

Responsibility will be for all aspects of the finance function.

A chartered accountant is required with a record of achievement in financial management and in applying sophisticated management techniques. Experience of ECGD and of overseas contracts will be helpful.

Preferred age late thirties or early forties but this is less important than the maturity to command the respect of young, capable, intellectually stimulating colleagues.

Location London. Salary £17,500. Car provided. Profit sharing scheme.

Please write in confidence for a job description and an application form to David Prosser, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY, quoting MCS/3742.

Price Waterhouse Associates

Cumbria — from £7,000 + car

C&L

FINANCIAL ACCOUNTANT

Our client is a well established group principally involved in distributing and marketing a wide range of agricultural supplies. In addition the group has substantial manufacturing and retailing interests.

Reporting to the Group Chief Accountant, the person appointed to this position will be responsible for the financial accounting of the group's results and the management of head office accounting staff. Of equal importance will be the contribution the man or woman appointed will be expected to *make towards overall financial control and the development of new and* revised systems.

Candidates must be qualified accountants preferably aged between 35-40 *and should be thoroughly experienced* in line management and monitoring computer based accounting systems.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to C. R. Williams, Executive Selection Division, ref. MA946, at the address below. Please include a daytime telephone number at which you may be contacted.

COOPERS & LYBRAND ASSOCIATES (SCOTLAND) LTD.
Management Consultants
Highland House, Waterloo Street, Glasgow. G2 7DB.

Financial Controller

Required by a leading oil service company, involving North Sea activities, which is part of an international Group based in London.

The post of Financial Controller is a senior appointment and requires a high standard of financial and accounting experience.

The person appointed would be responsible to the General Manager for the financial and accounting control of the company and its subsidiaries and also advise the General Manager on financial matters.

The successful applicant will be at least thirty-five years of age, and a professionally qualified accountant and must previously have held a senior appointment.

Salary and conditions will be subject to negotiation and will be commensurate with the post. Box FT/565, c/o Hanway House, Clark's Place, London, EC2N 4BJ.

American Stockbroker

A major American Stockbroking firm requires both Institutional and Private Client account executives for its London office.

Bache Halsey Stuart Shields Incorporated is a leading Investment House headquartered in the United States with a worldwide network of offices.

Candidates must have experience in North American equity markets and be capable of marketing the many services that the company has to offer.

Applications should be made to
H. SAFRAN V.P.
5 Burlington Gardens, London W1X 1LE 01-439 4191

Chief Accountant

£8,000 plus, and car
N.W. Coastal Area

A well-established profitable company with manufacturing and retail operations wishes to appoint a Chief Accountant. The company has an excellent growth record, an eight-figure turnover and has combined professionalism with a family business style. The successful candidate would join a young management team and be expected to contribute professionally and imaginatively to the management and further development of the company.

Applications are invited from qualified accountants with industrial experience; preferred age 25—30. Remuneration at least £8,000 plus executive car and other benefits. Location: North West coastal area. *Please reply to us, stating age, current salary and how you meet our Client's requirements, quoting reference CA/3992/FT on both envelope and letter. Men and women are invited to apply. No information will be disclosed to our Client without permission.*

Urwick, Orr & Partners Limited
Management and Selection Consultants
Baylis House
Stoke Poges Lane
Slough SL1 3PF

CREDIT OFFICER

A French bank requires an experienced Credit Officer to join its corporate banking department.

Responsible for analysing credit propositions, writing loan applications and following up the whole relationship with clients and prospects, the selected candidates will be in their late twenties/early thirties with a good knowledge of French and will have acquired a solid background in general banking practices through three of four years' experience in a bank lending department.

A good salary is negotiable according to experience.

Please apply in confidence to Box A.6650, Financial Times, 10 Cannon Street, EC4P 4BY.

"NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS"

TUESDAY 27TH FEBRUARY, 1979

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Tuesday, 27th February, 1979, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments."

Advertising rates will be £16 per single column centimetre. Special positions are available by arrangement at a premium rate of £17.50 per s.c.c. Copy date is Thursday, 22nd February. For further details, including reprints of previous features, please telephone 01-248 4601 or 4864 (direct lines).

Newly Qualified Accountants, especially Chartered, are never easy to recruit—don't miss this opportunity!

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

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We invite applications from Accountants who will have acquired not less than five years' practical experience of overall financial/accounting control of a similar-sized operation. The successful candidate will be responsible to the Board and, with a small team, will undertake the development of existing procedures to match the planned expansion of the business. An understanding of EDP methods is desirable. A lively energetic approach and well-developed commercial reflexes, plus the ability to contribute as an effective member of senior management, are more important than formal qualifications. Initial salary £8,000-£10,000 + car, BUPA and assistance with removal expenses where necessary. Applications, in strict confidence, under reference FCMT10942/FT, will be forwarded unopened to our client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the *Security Manager:*

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

Informationsdienste—speziell Wirtschaftsinformationsdienste—sind unsere Dienstleistung. Als internationales Unternehmen arbeiten wir in Deutschland in neun Büros. Wir suchen für unsere deutsche Zentrale in FRANKFURT/MAIN den

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Der Stelleninhaber wird mit dem Geschäftsführer zusammenarbeiten und funktional mit dem Finanz-Koordinator der englischen Muttergesellschaft. Das finanzielle Angebot umfasst auch einen Pensionsvertrag, Urlaubsvergütung und Treuebonus.
Senden Sie bitte Ihre vollständige Bewerbung mit tabell. Lebenslauf, Zeugnissen, Foto und Gehaltsvorstellung sowie Anfangstermin an unsere Wirtschaftsprüfungsgesellschaft.

DR. H. D. MIKULSKI
Beethovenstrasse 65 6000 Frankfurt/Main, Germany

Business Development Banking

The Personal Banking Division of a major international bank group provides a range of banking and financial services to clients internationally and also in the United Kingdom. Although a significant part of the group, the Division is small enough to offer its customers personal service in a range of financially related matters.
We are currently examining critically our business and its products in relation to our international markets and to our expertise both in banking and related matters and our marketing strategy. We need a mature individual to undertake a full business review in co-operation with the Division's senior management and to assist in the preparation of future business plans. Success in this role will lead to a senior line management appointment and potentially a career in the context of the international group.
For this important appointment, candidates, male or female, should preferably be Chartered Accountants with a business degree or career bankers with AIB and a track record of managerial success. Experience in the banking or financial services sector, particularly including international aspects, will be most valuable.
Starting salary will be around £10,000 per annum, compensation package includes the usual bank benefits of a subsidised mortgage and non-contributory pension scheme. The appointment is based in central London.
For further information and application form please contact our adviser at Box No. A6660, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY.

ASSISTANT TO ACCOUNTANT
FOR EC2 BANK
Recently qualified, min. 1 year's experience. £5,500+
CREDIT OR INVESTMENT ANALYST
EXPERIENCED, FOR CITY
Aged 25-35, £5,500-£6,000
LJC BANKING APPOINTMENTS
01-283 9958/9

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wish to appoint

A SENIOR O & M ANALYST

This is a new Head Office appointment which has been created by the expansion of the Management Services Department.

Responsibilities: To optimise administrative procedures within the Group—develop clerical systems and procedures associated with computer systems—advise on use of office machinery, office layouts and design.

Experience: Minimum four years experience in the application of O & M techniques is essential and knowledge of insurance business and computer facilities is necessary.

Qualifications: Formal training in O & M. Minimum of two 'A' levels including maths.

Salary: Circa £8,000 per annum.

Benefits: First class non-contributory Pension Scheme, non-contributory Permanent Health Scheme, Mortgage facilities and re-location assistance will be considered.

Applications should be made in writing, and in confidence, giving details of career to date and personal details to:

Mr. B. F. I. Lamerton,
Minster Insurance Co. Ltd.,
Minster House, Arthur Street,
London, EC4R 9BJ.

MARKET DEVELOPMENT SPECIALIST

Food and Agriculture

A major Canadian Government office based in London, England, is seeking an outstanding Market Development Specialist in food and agricultural products.

The successful candidate would have a wide ranging brief encompassing trade development work in the U.K. and continental Europe.

To meet this challenge your background should include:
- ***Practical marketing experience in agricultural and food products.***
- ***A working knowledge of E.E.C. agricultural trade policies.***
- ***Ideally some exposure to, or involvement in Canadian business activities.***

The salary and benefits would be commensurate with qualifications and experience.

Written applications including a detailed C.V. should be addressed in confidence to:

Dept. R.D.G., Ontario Ministry of Agriculture and Food, Ontario House, 13 Charles II Street, London SW1Y 4QS.

International Banking

Investment and Business Planning

Bank of America invites applications for the position of Investment Officer in its Europe, Middle East and Africa Division with headquarters in the City.

Reporting to the Head of Investments and Business Planning, the successful candidate will be responsible for assisting management in formulating investment/divestment proposals; appraising the performance of the Bank's subsidiaries and affiliates; developing business strategy proposals for Senior Management review.

Applicants should be graduates in their 20's, preferably with an MBA, and should have 3 to 5 years experience in corporate finance and planning involving acquisitions, corporate restructuring, capital investment and new investment appraisal gained with an international bank, consultancy or public accounting firm.

Salary will reflect qualifications and experience, and other terms of employment are in line with best banking practice in the UK.

Applications containing full career details and salary history, which will be treated in confidence, should be addressed to: Assistant Vice President—Recruitment, Bank of America NT & SA, 25 Cannon St, London EC4P 4HN.

BANK OF AMERICA

CORPORATE PLANNING

East Midland Allied Press Limited, a public company operating in provincial newspapers, magazine publishing, contract printing, travel and retail newsagencies, seeks an Assistant Corporate Planner. The successful applicant will be based at Peterborough and report to the Group Corporate Planner.

The work involves updating and developing a comprehensive financial and marketing plan, appraising opportunities for expansion and investigating current operations within the Group.

Candidates, aged 25 to 32, should be university graduates with a successful record of achievement. A keen business flair and the ability to present reasoned proposals to top management is essential.

Salary is negotiable according to experience. Additional benefits will include company car, contributory pension scheme (including BUPA) and assistance with removal expenses.

Please write giving details of how you meet our requirements to Martin Lusby, Corporate Planner, East Midland Allied Press Ltd., Oundle Road, Woodston, Peterborough.

OPERATIONS REVIEW

Aberdeen **£9,000**

Our client is engaged in the provision of underwater engineering and diving services to the oil industry and operates on a worldwide basis. The company has achieved substantial growth over the last two years and further expansion is planned both through internal growth and by acquisitions into related fields.

The successful candidate will report through to Board level and be closely involved with the development of management information systems in Aberdeen, and the conduct of consultancy exercises in the organisation's overseas activities.

Candidates should be qualified accountants, probably aged 25-29, with the maturity to work independently with management of varying disciplines, and the flexibility to sustain a travel content of up to 25% per annum including trips to the Far East and other overseas locations. Reasonable relocation expenses will be reimbursed.

For further information and a personal history form please contact Robin F. Taylor, B.A., C.A. or Nigel V. Smith, A.C.A., quoting reference [illegible].

Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel. 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

FINANCIAL ACCOUNTANT

HAMPSHIRE

Emoluments to £10,000 + Car

Our client is an autonomous subsidiary of a major banking group which has expanded rapidly over recent years.

The company now seeks to recruit a Financial Accountant who will control the preparation of financial accounts and oversee the day to day running of the accounts department controlling 12 staff. The company is investing heavily in computerisation and the successful candidate will be particularly involved with this aspect.

Candidates, male/female, will be qualified accountants, probably aged 28-35 and whilst probably with commercial/industrial experience those currently in practice will be carefully considered. Previous exposure to computer based systems is important and candidates should demonstrate the presence and drive to progress within a young motivated management team.

Generous relocation expenses will be paid where appropriate.

For detailed information together with a personal history form contact Peter Dawson or Nigel V. Smith, A.C.A., quoting reference 2385.

Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel· 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

General Manager

Jeddah, Saudi Arabia

A major Saudi Arabian concern has established a joint venture company with a large multinational elevator manufacturer. This newly-established company seeks a General Manager for its Saudi Arabian operations.

The ideal candidate should be familiar with elevator technology and be capable of managing all aspects of this new profit centre.

He should possess proven management experience and preferably hold a university degree in engineering. Fluency in English is essential and knowledge of Arabic is a distinct advantage.

An attractive tax free salary combined with comprehensive benefit package including free housing, company car and paid home leaves is offered to the right candidate. All applications will be treated in strictest confidence.

W4908:FT

Replies will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Investment Management

- **PREFERRED AGE: 26 - 32**
- **EXPERIENCE: several years fund management/investment analysis of equity portfolios. Knowledge of fixed-interest and/or property investment an advantage but not essential.**
- **THE ROLE is to assist in the formulation of investment policy, the supervision of existing portfolios and the identification of new investment opportunities.**
- **BENEFITS will include a competitive salary, a car and non-contributory pension scheme.**

Please write (enclosing *curriculum vitae* and salary progression) to:
A. F. Elmer, Esq.,
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Minster House,
Arthur Street,
London, EC4R 9BH.
marking your envelope 'Private.'

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115 Mount Street, London W1Y 5HD, 01-493 1309/1085.

PERFORMANCE BOND UNDERWRITING

(SURETYSHIP)

Vacancy for person with appropriate experience—including financial vetting of industrial and/or Builder/Contractors—obtained in banking, consequential loss insurance or credit insurance. Age 28/35. Salary: £7,500 with attractive benefits and conditions. The prospects for promotion to senior management within two years are very favourable.

Full C.V. in strict confidence to Box A.6630, Financial Times, 10, Cannon Street, EC4P 4BY

Project Finance-Merchant Banking

Hong Kong London

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Salary will reflect the importance of these key appointments and total remuneration, including fringe benefits, are in line with the best banking practice.

Suitably qualified men and women for both positions should apply in writing, giving full career details which will be treated in strictest confidence, to H. Molyneux, Personnel Manager,

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Mrs. I.M. Brown, Ref: 19143/FT.

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LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Hoggett Bowers
Executive Selection Consultants
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The Bank is seeking an experienced individual to establish and run a new department with responsibility for the Group's publicity, advertising and press relations.

The appointee will be responsible to the Head of Division and must have had experience in a similar position and be able to demonstrate an imaginative approach to the subject of internal and external communications. Evidence of practical management experience and the ability to achieve results will be expected.

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If you are interested, please reply in the first instance to: Position Number ACT [illegible], Austin Knight Limited, [illegible] Square, London W1A [illegible].

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Please contact:
Mike Pope
01-236 0731

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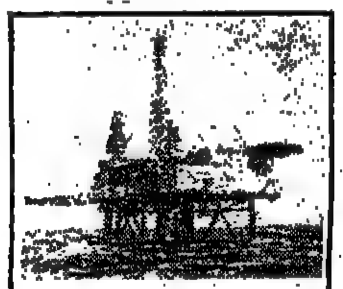

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LOMBARD

Puzzling over productivity

BY JOHN WYLES IN NEW YORK

PRODUCTIVITY IS becoming an evangelical issue in the U.S. Strong men quiver with intense feeling and opinion on the subject. In his Economic Report to Congress last month, President Jimmy Carter warned that the slowdown in the nation's productivity growth rate had reached "serious proportions." His Council of Economic Advisers, meanwhile, has gloomily lowered its estimate of potential economic growth over the next five years from 3.5 per cent to 3 per cent out of a conviction that the long term growth in productivity has fallen from 2 per cent to 1.5 per cent.

Last year alone stands as something of a disaster. The Labour Department's measure of output per manhour of work inched 0.4 per cent upward, the smallest rise since the recession year of 1974. Growth in non-farm productivity appears to be nearly grinding to a halt from a rate of 2.6 per cent from 1955 to 1965, 2 per cent from 1965 to 1973 and 0.9 per cent from 1973 to 1977.

At the bottom

This, it is universally agreed, is a bad thing. To begin with America's productivity achievement between 1966-78 places the country firmly at the bottom of the productivity league of Western industrialised countries, and this is a blow to the nation's competitive esprit. It is moreover, a depressingly small factor to help offset prospective wage settlements against which the administration's 7 per cent pay limit may well prove a barrier of straw.

Not surprisingly, then, there is a strong sense that something must be done. But there the bandwagon halts in a most unusual way. Productivity is almost unique among U.S. problems in that the "experts," be they economists or politicians, industrialists or journalists, acknowledge that their understanding is extremely imperfect. The subject becomes, therefore, one upon which everyone can have a conviction, rather than a conclusion borne of satisfactory research and reasoned argument.

As a result there is a bewildering array of explanations available for the productivity enigma, although none, interestingly, blame the American worker for not working hard enough. Not wishing to be absent from the debate, the New York Stock Exchange last month contributed its own glossy 41-page report which, inter alia, blamed the decline on a drop in research and development expenditures from 3 per cent of GNP to 2 per cent over the last 13 years, a decline in capital and labour mobility, the development of a younger labour force employing more women, the recession in 1974-75, changes in land quality and the proliferation of government rules and regulations.

Only the kitchen sink was missing from the NYSE list but that is all that is missing from most other accounts. However, these broad analyses are a model of intellectual rigour in comparison with prescriptions endorsed by the NYSE and others. These include measures to encourage savings and risk taking, incentives to spur research and development, a national commitment to productivity improvement and to relax unnecessary government regulations.

This last nostrum is rapidly gaining support at a time of fiscal conservatism and complaints about big government in all its aspects. Indeed, the Council of Economic Advisers argued that increased economic and social regulation has aggravated the productivity slowdown in a number of ways, citing regulatory laws which tend to reduce innovation and investment.

Information

This may be entirely accurate but the subject is crying out for investigation below the macro-economic level. The Government apparently finds the measurement problems so forbidding that it does not, for example, attempt to compile figures on "total factor" productivity which tries to take into account not just labour input, but also the productivity of plant and equipment, energy use and the yield from materials.

But much more information is needed not just on the impact of government regulation and environmental laws, but also on the effect of business cycles on companies' efforts to consolidate productivity gains, of union organisation, average levels of education of workers and the importance of switching to electronic technology. The U.S. economy, like the British, is usually classified as mature. As such, they both deserve a mature investigation of their problems.

Marital conspiracy in civil matters

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

CAN A husband and wife be held liable for conspiring together to deprive a third person of his rights? In criminal law it has always been assumed that spouses cannot be successfully indicted for the crime of conspiracy when no third persons are involved. This was based on the old maxim that husband and wife are one person in the eyes of the law. This maxim is now obsolescent in English law though there are still some traces of the concept left in Scottish law.

However, Mr. Justice Oliver heard a very long argument, going right back to the book of Genesis, in favour of extending to civil matters the immunity which husband and wife have in respect of conspiracy in criminal law. He rejected the proposition in a judgment which makes 37 pages of most enjoyable reading.

The problem was brought to his court by the Midland Bank Trust Company and Margaret Ann Green who had the bad luck of accepting an inheritance without checking whether the obligations were not greater than the assets. The obligation which put her at a disadvantage resulted from a later judgment by which the estate she inherited was held liable for the thwarting of an option to purchase certain land in Lincolnshire which the late Walter Green and his wife Evelyn granted to their son Geoffrey. The judgment said that this couple "conspired together to defraud and injure the plaintiff by completing a sale of . . . and to deprive the plaintiff of the benefit of the said option. The plaintiff thereby suffered damage." Margaret, the luckless heiress, supported by the Midland Bank, asked Mr. Justice Oliver to set this judgment aside arguing that conspiracy between husband and wife doesn't exist in English Law.

Medieval husbands found it very convenient to maintain complete dominance over their wives and their property with the aid of a suitable selection of quotes from the Old Testament. The judgment of Mr. Justice Oliver records the long and colourful history of this doctrine which, starting with the feudal concept of husband as overlord of his wife has gradually been eroded in response to the changing social structure and finally completely removed by recent English legislation on matrimonial property. He also rejected the arguments that reasons of public policy and the sanctity of marital communications respected by criminal law extend also to the civil sphere.

"I can think of no convincing reason," said Mr. Justice Oliver, "why the prospect of possible tortuous liability should be thought to inhibit the happy couple's whispered connubial confidences nor why, if they choose to translate their secret mutual contrivings into injurious action, the law should cover them with a cloak of coy immunity." He declined to apply a medieval axiom which appeared to him "to be as ill-adapted to the society in which we live as it is repugnant to common sense." It is one of the ironies of legal advance that this rejection of male chauvinism is likely to cost Margaret Green a good deal of money.

* * *

WHILE wives no longer seem to suffer from a monopoly of legal representation being vested in their husbands, a somewhat similar problem of legal representation is emerging in other fields. When giving their evidence before the Royal Commission on Legal Services recently, the representatives of the Trade Union Congress (TUC) were asked whether they sought to monopolise the representation of their members before lower courts in matters concerning employment and occupational injuries. They denied that they had any such aspirations, but put in a claim for state grants to enable them further to enlarge and improve the legal assistance provided by them to members in such disputes.

They pointed out that their paid officials had gained over the years a considerable amount of experience which enabled them to provide a better service than a solicitor not specialised in these matters. In more demanding cases the union instructs, as a rule, a firm of solicitors. Often it seems to be one large firm of London solicitors who then instruct their agents in the provinces. The TUC maintained that its members had easier access to trade union officials with whom they also have a common language. They emphasised however, that their members were completely free to seek legal assistance outside of the union.

The problem emerges as soon as it is realised that the funds available for legal aid are not unlimited. Any allocations made for developing the legal service provided by trade unions—and on that model by other associations claiming to represent special groups, such as tenants, racial minorities, immigrants etc.—would be likely to reduce the funds left for legal aid to those who wish to choose their own lawyer.

Another important factor is that legal aid is not available for litigation in industrial tribunals though the employer usually has a lawyer on his staff or can retain one. Undesirable as it may be to bring legal jargon into industrial tribunals, the employees disadvantage can be removed only by providing him with legal assistance which he can now obtain free only from the union.

The legal assistance which trade union officials can provide to their members is now limited to the preparation of the case and representation before an industrial tribunal. The TUC wanted the Royal Commission to recommend that its officials should be allowed to appear on behalf of members in magistrates' courts and county courts as well. Mr. J. F. Eccles, Regional Secretary of the General Municipal Workers' Union told the Commission: "When we have to engage a lawyer we have to do it expensively. When we use our own official we can do it much less expensively and often more effectively, and succeed in areas where the professional lawyer who is briefed fails."

Individual employee-litigants turning to a non-specialised solicitor and relying on legal aid are likely to get even less satisfaction. The evidence given recently to the Commission by three judges on behalf of the Council of HM Circuit Judges tends to confirm that the shortcomings of the legal service exists on a very wide scale. The legal fees alowed under legal aid lag behind the rapidly rising overheads so that solicitors are obliged to handle more cases with less staff. Experienced partners rarely appear in court and leave this to juniors or clerks. When the case requires the appearance of counsel the situation is possibly even worse. In "small cases" (which may be very big in their importance for the person concerned) the barrister usually gets his brief only late on the preceding day. Sometimes he gets it only shortly before the hearing.

Under these circumstances there is hardly time for a conference of the two lawyers with their client. The barrister works from paper and not from personal knowledge of the client which may be sometimes more important than complete mastery of court rules and advocacy.

Many eminent lawyers have said already that the archaic procedures and the harmful division of the profession into two separate branches increases the distance separating the citizen from the law. It now seems that it also breeds the danger that the citizen will become dependent for legal assistance on organisations whose prime function is the promotion of economic or political aims which may sometimes be at odds with the individual's interests.

Banking on a stable currency

RACING

BY DOMINIC WIGAN

WITH THE economic outlook again looking gloomy, to say the least, it is ironic to think that Britain's throughbred breeding industry may well be building momentum for a further spell in the purple.

For at least the past 10 years some of the world's most prominent businessmen have been turning to bloodstock in times of economic uncertainty and, on the whole, their massive injections of capital have proved well spent.

Bloodstock has more often than not of late proved a particularly stable international currency in times of stagnation and runaway inflation, and for this reason alone I can see little to affect its buoyancy in the current climate.

In spite of a staggering average of 21.121 gns per lot at Europe's top yearling auction, the Houghton Sales, in 1978—a figure which not many expect to see equalled let alone bettered—statistics point to another sharp rise in the graph.

For, with a limited number of openings for investment in which there is little fear of massive taxation, the chance, albeit a remote one, of being able to race and eventually syndicate a horse worth upwards of £5m can make the gamble seem a worthwhile bet.

Provided that weather conditions in the West Country do not deteriorate overnight there seems a reasonable chance that Taunton (subject to a 7.30 am inspection) will not become the 102nd meeting to be lost to the elements this season.

Although the eight-race card there, which includes a divided selling event, is unlikely to get many racegoers into ectasies, the three divisions of the Staple Fitzpaine Novices' Hurdle could provide some interesting racing.

In the first of these events at 1.15 I shall be disappointed if the improving Kate's Boy fails to give his backers a good run for their money. Sent to Sandown for a division of the February Novices' Hurdle a couple of weeks ago, Kate's Boy did well to finish a close fourth behind Richmede. The White Tower and Romany Furlong after making steady headway from half-way.

Any improvement on that effort should see him conceding a stone to Ron Atkinson's Jukebox gelding, Come Play With Me.

Blue Maid, a game conqueror of Kas at Lingfield before toying with another smart mare, Grangewood Girl, at the last meeting here, reappears in the Glastonbury Chase and it will take a bold punter to oppose her now that Nimrody, Fourth Son and Prince Kumar VI have all been withdrawn.

TAUNTON

12.10—Better Than Ever
1.15—Kate's Boy***
1.45—Avill
2.15—Nova Eldorado
2.45—Blue Maid**
3.15—Hidden Talent*
3.45—Captain Clover
4.15—Early Thirties

TV/Radio

✧ Indicates programme in black and white

BBC 1

7.05-7.55 am Open University (Ultra high frequency only). 9.41 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill. 1.45 Ragtime. 2.00 You And Me. 2.15 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School (As BBC-2 11.00 am). 4.20 Don and Pete. 4.25 Jackanory. 4.40 The Space Sentinels. 5.00 John Craven's Newsround. 5.05 Blue Peter. 5.35 Noah and Nelly.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
7.55 Blankety Blank.
8.30 Butterflies.
9.00 News.
9.25 The Good Old Days.
10.15 Rene Magritte.
10.55 Tonight.
11.35 Weather/Regional News.

All Regions as BBC-1 except at the following times:—

Scotland—9.41-10.01 am For Schools. 5.55-6.20 pm Reporting Scotland. 10.55 Thursday Night. 11.35 News and Weather for Scotland.

Wales—5.55-6.20 pm Wales Today. 6.55-7.20 Heddiw. 9.25-10.25 Rhywbeth Yn Y Llofft? 10.25-10.55 Milford Fisherman. 11.35 News and Weather for Wales.

Northern Ireland—11.30-11.50 am For Schools (Ulster in Focus). 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 8.30-9.00 Spotlight. 11.35 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

11.00 am Play School.
4.50 pm Open University.
6.55 When The Boat Comes In.
7.46 Mid-Evening News.
7.55 Newsweek.
8.30 Leo Sayer.
9.00 Tigris.
9.50 Test Match highlights.
10.20 Don't Forget To Write!
11.15 Late News.
11.30 Open Door.
12.00 Music at Night for piano by Debussy.

LONDON

9.30 am Schools Programmes. 12.00 Little Blue. 12.10 pm Daisy, Daisy. 12.30 The Cedar Tree. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 Money-Go-Round. 2.25 Danger U.X.B. 3.20 No Man's Land. 3.50 Oh No, It's Selwyn Froggitt. 4.20 Little House on the Prairie. 5.15 Mr. and Mrs.

5.45 News.
6.00 Thames At 6.
6.25 Help!
6.35 Crossroads.
7.00 Wish You Were Here . . . ?
7.30 The Jim Davidson Show.
8.00 Rising Damp.
8.30 TV Eye.
9.00 "Streets of F.E.A.R."
10.00 News.
10.30 "Streets of F.E.A.R." (continued).
11.15 Our People.
11.45 The Andy Williams Show.
12.15 am Close: Geoffrey Hinshiff reads from the Book of Job, illustrated by William Blake.

All IBA Regions as London except at the following times:—

ANGLIA

1.25 pm Anglia News. 3.50 Give Us a Clue. 4.20 The Next Week Show. 4.45 The Beachcombers. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 The Six Million Dollar Man. 11.15 Format V. 12.00 The Adventure World of Sir Edmund Hillary. 12.30 am The Living Word.

ATV

1.20 pm ATV Newsdesk. 3.50 The Electric Theatre Show. 4.20 Jonny Quest. 4.45 Island of Adventure. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 Survival. 11.15 Format V. 11.45 Police Surgeon.

BORDER

1.20 pm Border News. 3.50 Give Us a Clue. 5.15 Laverne and Shirley. 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 7.30 Mr. and Mrs. 11.15 Spies (An Electric Theatre Special). 12.15 am Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime News and What's On Where. 3.50 Give Us a Clue. 5.15 Stars on Ice. 6.00 Channel News. 6.10 Link Up. 7.00 The Incredible Hulk. 10.28 The Story of Wine. 11.00 TV Movie: "Streets of F.E.A.R." (continued). 11.45 The Electric Theatre Show. 12.10 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian News Headlines. 3.50 The Rolf Harris Show. 5.20 Dynomutt—The Dog Wonder. 6.00 Grampian Today. 7.00 Police Newsroom. 7.05 Emergency. 11.15 Reflections. 11.20 Rafferty. 12.20 am Grampian Late Night Headlines.

GRANADA

1.20 pm This Is Your Right. 3.50 Stars on Ice. 4.20 The Life and Times of Grizzly Adams. 5.10 Max, The 2,000 Year Old Mouse. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 The Bionic Woman. 11.15 What's On. 11.45 Kodiak.

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 3.50 Give Us a Clue. 4.20 Wyatt's Place. 4.45 Bailey's Bird. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Sports Arena. 7.00 Six Million Dollar Man. 9.00 SWAT. 10.35 Cinema Special: "Blushing Charlie."

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.20-4.45 Seren Wib. 5.15-5.20 Cartoontime. 6.00-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-7.00 Report West.

SCOTTISH

1.25 pm News and Road and Weather. 3.50 Give Us a Clue. 5.15 Teatime Tales. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 The Six Million Dollar Man. 11.15 Late Call. 11.20 Barnaby Jones.

SOUTHERN

1.20 pm Southern News. 3.50 The Rolf Harris Show. 4.20 The Life and Times of Grizzly Adams. 5.15 Melotoons. 5.20 Crossroads. 6.00 Day by Day. 6.45 Dick Barton—Special Agent. 7.00 Emmerdale Farm. 7.30 University Challenge. 9.00 Streets of San Francisco. 10.30 Southern News Extra. 10.35 People Rule! 11.05 The New Avengers. 12.00 What the Papers Say.

TYNE TEES

9.25 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 3.50 Give Us a Clue. 4.20 The Beachcombers. 4.45 The Little House on the Prairie. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Survival. 11.15 Northern Scene. 11.45 Invitation Snooker. 12.20 am Epilogue.

ULSTER

1.20 pm Lunchtime. 3.50 Give Us a Clue. 4.18 Ulster News Headlines. 4.20 The Life and Times of Grizzly Adams. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 7.30 Survival. 11.35 Nolly. 12.00 Bedtime.

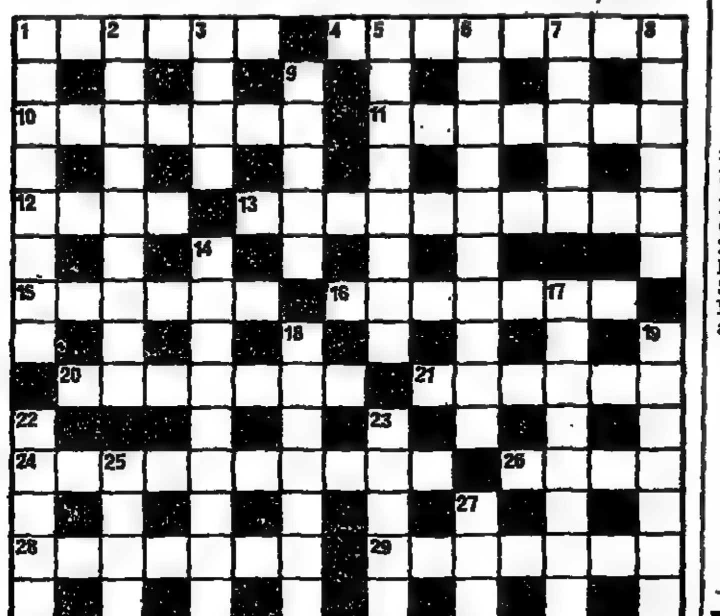
WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 3.50 Give Us a Clue. 5.15 Stars on Ice. 6.00 Westward Diary. 7.00 The Incredible Hulk. 10.28 Westward Late News. 10.30 Westward Report. 11.45 The Electric Theatre Show. 12.10 am Faith for Life. 12.15 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 3.50 Give Us a Clue. 4.20 Dynomutt. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 Robin's Nest. 11.15 George Hamilton IV. 11.45 The Bob Newhart Show.

F.T. CROSSWORD PUZZLE No. 3,898



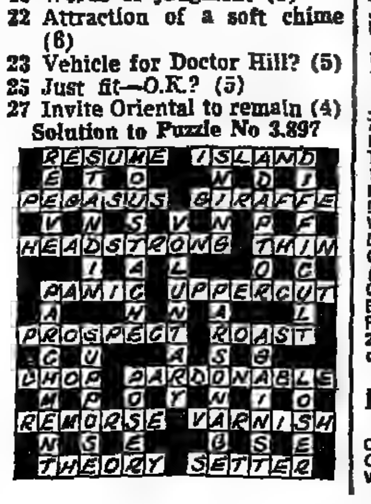
ACROSS

1 Charm in mother's bed (6)
4 Cad looked like a burglar outside and fell (8)
10 Performance cancelled by exhibitionist (4-3)
11 Area of land or tower (7)
12 Add spirit to French article about airman (4)
13 Unnatural after a long journey (3-7)
15 Drink for a horse (6)
16 Mark permit in red (7)
20 Everybody in stage production could be superficial (7)
21 Husky Arab accepting article (6)
24 Leave for each religious organisation (10)
26 Closed southern shed (4)
28 Taken into employment although in a plight? (7)
29 Duck feather? It's judgment! (7)
30 Written German volume upset Ray (8)
31 Bailiff and his dog (6)

DOWN

1 Lose motorway's position (8)
2 Laggard using late transport (9)
3 Instrument with nothing in order (4)
5 Drawing one truth from relic (8)
6 Talk on fight given by prattler (10)
7 Land in the sea or dike (5)
8 Some French travel to mock (6)
9 Refuse taken from off a learner (5)
14 Someone at the door? It could be the sexton! (4-6)
17 Land fish with worldly-minded person (9)
18 Trick partisan—it could be deliberate (8)
19 Words of judgment (8)
22 Attraction of a soft chime (6)
23 Vehicle for Doctor Hill? (5)
25 Just fit—O.K.? (5)
27 Invite Oriental to remain (4)

Solution to Puzzle No 3,897



Radio Wavelengths

1: 1053kHz/285m, 1089kHz/275m
2: 693kHz/433m, 909kHz/330m, & 88-91vhf stereo
3: 1215kHz/247m & 90-92.5vhf stereo
4: 200kHz/1500m & 92-95vhf
BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave
(b) Binaural broadcast

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 4.31 Kid Jensen. 7.00 Talkabout. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am: As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Steve Jones (S). 7.32 Cricket: Sixth Test. 7.34 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.30 David Hamilton (S). 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S). 6.45 Sports Desk. 7.02 Country Club (S). 9.02 Folkweave (S). 9.55 Sports Desk. 10.02 The Peter Goodwright Show. 10.30 Star Sound Extra. 11.02 Brian Matthew introduces Round Midnight including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

7.00 am News. 7.05 Weather. 7.08 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Chopin (S). 10.00 Wigmore Hall Summer Festival 1978 concert, part 1: (S). 10.40 Interval Reading. 10.45 Concert, part 2. 11.25 Munich Philharmonic Orchestra, part 1 (S). 12.20 pm Words . . . 12.25 Munich Philharmonic Orchestra, part 2 (S). 1.00 News. 1.05 Bradford Midday Concert (S). 2.00 Music for Wind Ensemble (S). 2.50 "The Nose," opera in 3 acts by Shostakovich, Acts 1 and 2 (S). 3.50 The Importance of Having a Nose (interval talk). 4.05 "The Nose," Act 3. †5.25 Homeward Bound (S). †5.45 News. †5.50 Homeward Bound (continued). †6.15 At Home: Concert: Weber, Sibelius. 7.15 Drama Now: "Martensoyde" by Neil Mickay (S and b). 9.00 Bohemian Wind Music by Krommer (S). 9.30 The Primitive and its Value in Art. 10.00 BBC Symphony Orchestra (S). 10.30 The Objet D'Art. 10.45 Mozart's Piano Trios. 11.55 News.

VHF Only—6.00-7.00 am and 5.45-

RADIO 4

7.10 pm Open University.
6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today: Magazine, including 6.45 Prayer for the Day. 7.00 8.00 Today's News. 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Mid-Week with Desmond Wilcox. 10.00 News. 10.05 Checkpoint. 10.30 Daily Service. 10.45 Morning Story. 11.00 Analysis. 11.45 Listen with Mother. 12.00 News. 12.02 pm You and Yours. 12.27 Just a Minute (S). 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.10 Questions to the Prime Minister. 3.35 Afternoon Theatre. 4.35 Story Time. 5.00 PM: News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Quote . . . Unquote (S). 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Kaleidoscope. 8.00 Live from the Royal Festival Hall: part 1, Beethoven, Mozart (S). 8.35 "Notes for a Life" (Bryan Forbes reads an extract from his autobiography). 8.55 Live from the Royal Festival Hall, part 2: Rachmaninov (S). 9.59 Weather. 10.00 The World Tonight. 10.30 Any Answers? 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 Soul 78. 10.03 Late Night London. 12.00 As Radio 2. 12.05 am Question Time from the House of Commons. From 1.05: As Radio 2.

London Broadcasting

5.00 am Morning Music. 6.00 AM: news, information, travel, sport. 10.00 Brian Hayes. 1.00 pm LBC Reports. 3.00 George Gale. 4.00 LBC Reports (continues). 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Mike Smith (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.03 pm Lord George-Brown's Capital Commentary (S). 7.10 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Kerry Juby's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

THE ARTS

Coliseum

Tirésias, Dido

From its young sibling company up North the English National Opera has borrowed the double bill of Purcell and Poulenc that helped launch the first Leeds season last November. The juxtaposition of the greatest English music drama and a high-spirited French farce is an attractive one. The result, at least as experienced on Tuesday night is somewhat less satisfactory than one hoped it would be.

Both pieces suffer from being given in a theatre several sizes too large for them. Before being taken over by English National Opera North, John Copley's production of *Les Mamelles de Tirésias* had begun life at the Royal Academy of Music early last year. Played with the natural freshness of students (expertly guided by Mr. Copley) and enclosed in the intimacy of the Academy's excellent small theatre, the *opera-bouffe* made an effect at once funny, lyrical, racy, and oddly touching; the endearing and long-lasting qualities of Poulenc's art had been lovingly exposed. Now, expanded to fill a big house, the music seems thinner, the comedy teeters towards broadness, the Apollinairean absurdities are somewhat overworked.

There are good things in the mixture. Ian Caddy starts the piece off with an account of the Theatre Director's monologue so polished and precise of style that expectations are raised. Norma Burrowes' Thérèse, as ever winningly free of artifice and sweet of tone, and Emile Belcourt's Husband, urbane and personable (if vocally dry and somewhat unsteady of rhythym) hold the stage. The scenery and costumes of Robin Don combine wit, elegance, and a mcking exactitude of tone with splendid address. But the blend is lumpy so far. We need to hear more words; we need to be persuaded by all the singers (Mr. Caddy honourably excepted) that Poulenc's vocal lines are not just dashing and merry, not just "good fun," but often unobtrusively beautiful and serious in a subtle, secretive way. Howard Williams, who conducts energetically, needs to impose a steadier rhythm on the flow of the musical periods.

This second half is still a good deal more appealing and more faithful to the sense and the spirit of the original than the staging of *Dido and Aeneas* by Ian Watt-Smith that occupies the first. Speed of unfolding is a point in its favour; so is the lively intelligence of Richard Hickox, the conductor, who endeavours, with so far unequal success, to instil lightness and accuracy of phrase upon a murky orchestra (particularly uncomfortable in balance of the lower strings) and a rough-and-ready chorus. Otherwise I can find only pretentiousness, an arrogant dismissal of the work's pastoral conventions, a stuffing of its immaculate structure with heavy symbolic devices, an overloading with fake ritual. In a word, artiness.

With the exception of Belinda, cleanly taken by Marie McLaughlin, the leading roles are ill cast. Sandra Browne voices Dido efficiently, unbendingly, and so unmovingly; Christian du Plessis' Aeneas (or Enayas, as he calls himself) is stolid, verbally woolly; Shelagh Squires sadly lacks weight for the Sorceress's low-lying lines. **MAX LOPPERT**

Norma Burrowes

Elizabeth Hall

Lindsay Quartet

The Lindsay Quartet began their concert on Tuesday with Mendelssohn's A minor Quartet, op. 13—published when he was 21, but precociously well-made as usual. Without compromising its suave surface, they gave it all its due energy, straight from the imitative entries of the Allegro vivace, and they treated the expanded song that begins and ends the Quartet to richly burnished tone. At this rate, Mendelssohn's neglected quartets will soon have a secure foothold in the repertoire. The Lindsay intonation is occasionally peccable, and this time the heady sonorities of the Adagio were spiced with traces of wandering pitch; but their fall from grace was soon past, and easily forgotten.

Janacek's very late Second Quartet, "Intimate Pages," was stirringly idiomatic—a powerful and moving performance, solidly cogent despite (or perhaps because of) their giving full value to each of the innumerable episodes that crowd in upon one another. Passages in the work would bear still more fiercely expressionist handling — the ominous sharp swells in the Adagio, for example, and the palpably bone-weary rhythm to which the Moderato keeps returning—but the total effect was full-blooded, anxious and fervent in the right proportions. It is a work that displays the Lindsay's special strengths to maximum advantage, as in turn they displayed it.

They were joined by Simon Rowland-Jones and Karoly Botvay for the early, pawky, bottom-heavy B-flat Sextet of Brahms. (His constant playing-off of the high string trio against viola and two cellos is striking, but a little risky.) They slipped into its amiable manner easily, though they might have allowed the turns in the Andante more generous curves, and explored its cheerful intricacies so devotedly that it didn't outstay its welcome. I think the final Rondo is intended to be comically over-tidy, where they were more gracious than witty. I may be wrong, though, and they lavished enough robust warmth on the whole work to make it continuously engaging. **DAVID MURRAY**

Record Review

As the masters heard it

by NICHOLAS KENYON

In the beginning there was the rediscovered instrument: the viol, the lute, the harpsichord. On these was built the revival of interest in baroque music in the first decades of this century. And in the Fifties and Sixties, in the wake of that enthusiasm, came the exhumation of all manner of medieval and renaissance instruments: the crumhorn, the racket, the dulcian, the rauschpfeifen, and countless others. These new sounds opened our ears to a whole range of previously neglected music—the colourful dance movements of Susato, the serious viol consorts of Gibbons and Jenkins—but they did not seriously challenge our notions of the music with which we were familiar.

During the last ten years the picture has changed completely. The revival of baroque-style string playing, and now of wind and brass playing, has meant that the accepted baroque orchestral masterpieces have been subjected to glare of the "authentic" approach. And not just baroque, either: as the wide range of records listed here demonstrates, authenticity is now reaching as far as Mozart and beyond.

A new problem confronts the performers and directors of these performances. (It was foreshadowed, perhaps, by those who first had to persuade us that Bach sounded as well on the harpsichord as on the more familiar piano). Instead of presenting strange music with strange sounds, they are presenting *well-known* music with strange sounds—and nothing is more likely to disconcert the habitual listener. We know, in the back of our minds, how Handel and Corelli and Vivaldi and Mozart *ought* to sound: we can buy (and probably have already bought) all the orchestral music listed her in extremely accomplished recordings by the Academy of St. Martin's-in-the-Fields. The ear's prejudices are hard to overcome.

Nevertheless, the process has begun. If there was one occasion which marked a widespread acceptance of the virtues of baroque orchestral playing in this country, it was last year's Prom performance of Handel's *Water Music* by the Academy of Ancient Music. Max Loppert's widely-quoted notice in this paper identified all the special pleasures of the playing—its clarity, its sprightliness, its subtle articulations—and the verdict is reinforced by the newly-issued recording. Yet comparing this record with the version just released by Nikolaus Harnoncourt and his pioneering Concentus Musicus of Vienna, it becomes clear how far we have yet to travel. The Academy's players are deft but cautious; there is little individuality; the whole is necessarily careful. With years of experience behind them, the Concentus can throw caution to the winds. Every phrase is thought out afresh: the movements are vividly varied in their style and speeds, and there is a wild abandon in the playing which is sometimes unsophisticated, but always supremely exciting.

Yet another style of baroque orchestral playing can be heard on the Corelli Concerti Grossi, by an ensemble of Dutch musicians directed by the superb violinist Sigiswald Kuijken. Cooler than Harnoncourt, brighter than the Academy, this is shimmering, glassy playing which combines verve and control to a near-ideal extent. There's none of the heavy articulation which comes from digging the bow into the strings: instead, the bows slide across the strings, revealing the sharpness and wit of Corelli's fugal writing, the calm, vibrato-less serenity of his slow movements.

The virtues of Austrian and Dutch performances on original instruments are juxtaposed in a new box of Vivaldi concertos from Telefunken. During the Vivaldi terecentenary year I think I heard rather more Vivaldi concertos than I had hot dinners: I would recommend this box above all the more thorough collections of the Philips ten-volume *Edizione Vivaldi* (in the hard-hitting performances by I Musici). This box includes the Harnoncourt "Seasons" I praised here a year ago; and a ravishing selection of chamber and orchestral concertos for combinations of recorder, flute, oboe, violin and bassoon played with lively, varied colours by Jaap Schröder, Frans Brüggen and others, directed by Harnoncourt and Leonhardt.

The expanding range of "original instruments," as well as the growing public interest in them, can be gauged from the new series of that name on Telefunken's *Das Alte Werk* label. On these "sampler" discs Hermann Baumann displays the virtues of four different 18th-century horns; and Jürg Schaeftlein plays three members of the oboe family—oboe, oboe d'amore, and cor anglais. They are both first-rate players, far ahead, it must be admitted, of English performers on these particular instruments. As well as baroque music, they both play classical pieces: Schaeftlein the lovely little Mozart fragment for cor anglais, two violins and cello; Baumann the fiendishly difficult Mozart Horn Quintet, as well as the Beethoven Quintet fragment for three horns, oboe and bassoon —a glorious noise.

Which takes us to the most challenging of these records: those of the late Mozart symphonies, played by the Collegium Aureum. This ensemble is not the purest of authentic instrument bands—they use such important modern innovation as violin chin-rests and cello spikes —and some of their accounts of baroque music are almost indistinguishable from conventional recordings; Ronald Crichton once memorably described them here as "about as authentic as frozen prawns." However, in presenting the case for authenticity in the classical repertoire, the group makes a splendid moderate advocate. They play Mozart without a conductor, led by their *Konzertmeister* Franz-Josef Maier: the results are comparatively subdued, but the music can be heard for once unimpeded by interpretational whims.

Most successful is No. 39, its first movement serenely calm, with gentle wooden flutes and clarinets sounding gently above the metallic strings. There is no thickness in the bouncing Minuet, and every twist and turn of the inner parts in the finale is revealed. The "Prague" Symphony, too, has a delicious openness of texture which lets us hear the details of the contrapuntal developments: occasionally here, and certainly in the "Jupiter," what is missing is a tightness of delivery — the Aureum's playing is a little diffuse. Our own Academy of Ancient Music is about to embark on a complete Mozart symphonies recording: it will be fascinating how different the results will be.

One pointer towards the revolutionary effect authenticity can have in Mozart is to be heard in the gem of this collection of records: three of the early string quartets played by the Esterházy Quartet—as on the Corelli discs, these are Dutch musicians, led this time by Jaap Schröder (who, good omen, will be leading the Academy's Mozart symphonies). There are no compromises in the playing, the unanimity is as precise as in any great string quartet.

And the sound! The slow movement of the F major Quartet, K 168, is deathly in its static, bemused, meditative progress unaided by wide vibrato. The early D minor Quartet has a fierce incisiveness with real space between the notes, allowing the passion to strike home. The extraordinary waltz-time movement which opens K 156 is as light as air, as fresh as a child's song. And those who think Mozart's fugues are too thickly-textured should hear the finale of K 168—a scurrying mass of semiquavers in which every line can be clearly distinguished. This record points a most hopeful way forward for an authentic performance style which can compete in both sound and musicianship with those versions which our ears know well —perhaps too well.

Playhouse, Oxford

Fidelio

by ARTHUR JACOBS

Enter a boy carrying a latrine bucket, to whom a soldier calls out: "Don't bring that stink in here! Where's the lid?" This is the wholly gratuitous opening to the Oxford University Opera Club production of *Fidelio*, neither the words nor the characters occurring in the original. During the overture, two soldiers have entered, and, with nothing better to do, seem simply to be listening to the valiant attempt by a student orchestra to surmount the "Leonore No. 3" under the baton of the professor of music, Denis Arnold.

Beethoven's opera, with only a small chorus part and no abundance of minor roles, was an odd choice, if a principal function of a university opera production is to stimulate the participation of students. The choice of the 1806 version of *Fidelio*—the second of the composer's three—was intended, no doubt, to entice inquisitive critics. This version is, however, a poor patched-up attempt by Beethoven (under pressure from his friends) to rescue the failed first version of the previous year—which has itself been revived both in the theatre and on records under the name *Leonore*. There are compressions and alterations, the action now being in two acts, instead of three. But it is far from the more radical reshaping of 1814, the *Fidelio* which now stands nobly in the world's repertory.

The public, if such an entity ever entered the Club's collective deliberations, was not well-served. At the opening on Tuesday, no synopsis was provided in the programme. Although an excellent stage set, with extended parapet, was provided by Robin Don, the production by Michael Gearin-Tosh, a Fellow of St. Catharine's, was more or less a total bungle—through the moment when Marzelline began the process of folding her linen by throwing it on the floor, right up to the inane gestures in the final tableau of liberation. But one could welcome Professor Arnold's positive shaping of the music, the more creditable with an orchestra which predictably found the going strewn with boulders, especially towards the end. The chorus was enthusiastic.

Professionally trained talent took the leading roles. Janet Edmunds, a familiar singer in Oxford, was unwise to attempt Leonore: the heroic, resolute note which should penetrate the heroine's part (and, in turn, should animate the whole opera) was quite lacking in her rather worried demeanour and in her conscientious attempt to encompass the music. But Theresa Lister, as the deceived Marzelline, and Neil McKinnon as the imprisoned Florestan brought an admirable character and cultivation to their roles, and I look forward keenly to rehearing both these young, obviously intelligent singers. Neil Lunt, in the lesser role of Jaquino, was equally attractive, and Charles Kerry and Richard Wigmore a dependable Rocco and Pizarro.

The Minister of State (James Mitchell) does not get, in this version either the musical or the dramatic force with which Beethoven was later to invest him. In fact, the passage where the Minister permits Leonore herself to unchain her rescued husband — *without* that marvellously timed key-change of the 1814 version — exemplifies the defects of 1806. Although Professor Arnold claimed in a programme note that this production (which closes on Saturday) "is in no sense a musicological exercise," it is difficult to give it any other, politer, names.

Museum's new chairman

The new chairman of the board of governors of the Museum of London will be Mr. Michael Robbins. He succeeds the late Viscount Harcourt and has been a governor of the museum since 1968.

Theatre Upstairs

Full Frontal

Michael Hastings, who knows when he is on to a good thing, presents us with another comic black immigrant. Gabri, sympathetically played by Winston Ntshona, is a Nigerian who has lived 10 years in England with a white wife. He is cheated on every hand, mostly by his West Indian fellow-blacks, one of whom has made a play for his wife. It seems to him that the only organisation directed towards his betterment must be the National Front.

Gabri is an interesting character, and Mr. Hastings should put him into a play. What he has put him into at the moment is a monologue, or rather a duologue with an inaudible, invisible straight man in an empty chair in the Front office. To him, Gabri pours out his heart — his contempt for the Rastas ("red New York Zionists control all the record shops in Jamaica"), his bizzarre notions about money, his dislike of white liberals who give West Indians an unfair advantage, his loyalty to the Queen, the Commonwealth and the old tribal gods of his country, his opposition to the EEC.

It is interesting, true and often funny, but there isn't enough of it to fill even the single hour that it lasts. In spite of Mr. Ntshona's agile interpretation and the direction by Rufus Collins, I kept feeling that I was going round in a rather small circle.

If the author would expand the little thread of plot that he has inserted, he might have something nearer an evening's entertainment. There is plenty of charge in the wistful anecdote of the fight with the adulterous Abdul and the neglected child to make a play. Meanwhile we have only the delight of Mr. Ntshona's company and a speculative desire to hear more about these people whom Mr. Hastings clearly knows so well.

B. A. YOUNG

Winston Ntshona

Guildhall School

College Concert by DOMINIC GILL

Tuesday's BBC College Concert, the fourth of six programmes of 20th-century music shared this season by the BBC Symphony Orchestra and the London Sinfonietta around the London schools of music, returned to the Guildhall — hidden away, and as maddening as ever to find, in its Barbican labyrinth.

It was a restrained, even austere evening, framed by the spare texture of Stravinsky's Mass and the delicate vocal and instrumental web of Webern's First Cantata — both works given by members of the BBC Symphony Orchestra and Singers under Michael Gielen accurately and with poise: the Webern especially, its soprano aria delivered calmly and sweetly by Karin Ott, and the last song, luminous epilogue, shaped and coloured with the greatest care. (Was there ever a more apolitical composer than Webern? — there is no hint indeed in the music, and it is fascinating to learn from the new Moldenhauer biography that there is no hint either in Webern's own copious diary notes, of the *Kristallnacht* and the outbreak of war which occurred during the very months of the Cantata's composing.)

Between the Mass and the Cantata were two more recent works. Although Bernd Alois Zimmermann subtitled his *Canto di speranza* a "cantata," the piece is purely instrumental: it is the solo cello's voice which spins its song above the small orchestra in a yearning (and sometimes doubtful) invocation to hope, peace and tranquillity—an interesting score, powerful in its broad span, more fidgety, less evenly balanced in its detail. Alexander Goehr's *Psalm IV* is less ambitious in scope, and more consistently worked—hard to believe it a sister piece to the very dull *Chaconne* we heard at the RCM last November: not a measure of the *Psalm* is redundant, every gesture speaks of air, and warmth, and light. It is one of Goehr's most haunting inspirations: though better heard, I imagine, in the more resonant, less desiccating acoustic of a cathedral or church.

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Election-year myths again

ONE OF THE *most persistent* myths in the Labour party's book of fairy stories is that the City organises financial crises in the closing months of a Labour administration to force harsh and unpopular policies on *the Government*. This story is again being revived, not only in predictable calls from the Tribune Group to return to the true gospel of 1972—price controls, import *controls*, investment plans, and indeed control of everything except credit—but also among more moderate party members. These grumbles, which naturally arouse suspicions that the Government's *fiscal nerve may fail after all*, actually contributes to the financial market nerves of which the grumblers complain. For its own sake, the Labour party needs to think more clearly.

Illusion

The Governor of the Bank of England, Mr. Gordon Richardson, had this problem in mind when he spoke to the bankers of Birmingham yesterday. He stressed the familiar truth that the attempt to accommodae excessive claims in the economy with an equally excessive printing of money buys only the illusion of a solution. Inflation is accelerated, so the gains in real wages which negotiators hoped to secure melt away. Not long afterwards, the illusion of easier credit conditions melts away just as inevitably: for *inflation, which means that companies* must finance a bigger rise in costs, eats up the credit which creates it. At the end of the round, as was shown only two years ago, we are left struggling with a weak currency, *higher inflation and interest* rates, and generally more intractable problems. It is a path down which we may sometimes be dragged by main force when costs get totally out of hand, but it is not one which a *sane Government would choose* to take.

It is worth spelling out the alternative consequences of *the policy to which the Government* as much as the Bank are publicly committed. Adhering to monetary restraint in face of inflationary cost increases appears at first sight a painful policy, especially when it *involves such market reactions* as the recent rise in interest rates. When the pound remains firm, foreign competition appears more menacing, and growth is likely to be harder to achieve. Public sector wages *must be paid not* through the printing press, but by the taxpayer, or through manning economies.

Such an approach is not universally painful even in the short run. Monetary restraint *cannot control prices, but it* does have a strong influence through what it does help to control—the exchange rate. Those capable of continuing to earn higher incomes in this more challenging environment *actually get higher real incomes* than they would under more expansive policies.

However, in this less illusory world a number of unpleasant *choices have to be faced earlier* than politicians facing elections might wish. If higher real wages are to be enjoyed in a slow-growing economy, something has to give.

The immediate threat, as the *Governor* pointed out, is to corporate profits. Investment and employment. Interest rates can be and already have been driven to a point which encourages *a run-down of stocks* as employers bid for an unchanged supply of credit. Since public sector wage increases, especially when they exceed the ruling average in the private sector, can sharply enlarge the *public sector's own credit demands*, a Chancellor faces an urgent need to adjust fiscally.

In short, when resources are diverted to meet wage claims, they must be found from elsewhere. They can either be freed *from the public sector by spending* cuts, or abstracted from consumers not by depreciation, but by straightforward taxation. A firm monetary policy is a regime under which spades are recognisable as spades.

Intolerable

The fact that the Government should have chosen to balance the demand for resources in this realistic way, rather than by inflationary sleight of hand, *is entirely to its credit*: it is only unfortunate that Ministers have chosen to talk about what is simply prudent housekeeping in terms of a punitive trial of wills, and thus to provoke challenges against themselves.

Of course wages can be pushed to the point where the *short-term consequences of un*yielding management of the economy appear intolerable, and depreciation of the currency, externally and internally, is the only way to balance the resource accounts for the time being; but this is a defeat for everyone. Monetary restraint is not a magic formula, which solves problems on its own; but it is a realistic one, which *makes the nature of problems* clear. That is why we need it.

ECONOMIC VIEWPOINT

This passion for national forums on pay

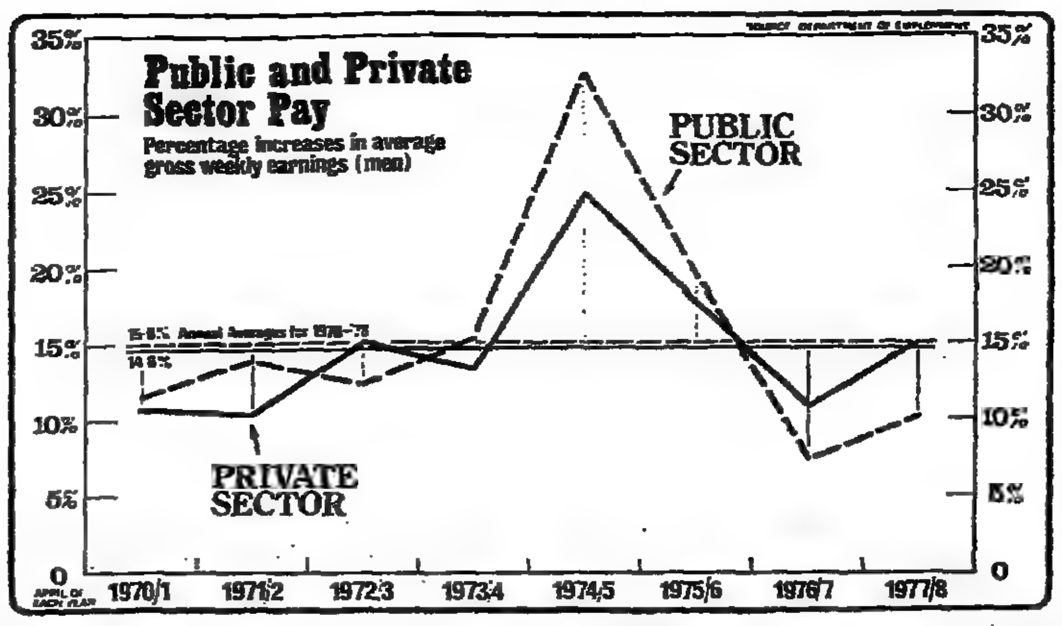
A national forum to discuss pay in a general economic context has been suggested by the new Government-TUC concordat, by the CBI, by Conservative policy statements and by many other political, management and economic bodies. Can all these people be misguided?

Yes. Anything on which all these groups can agree is quite likely to be wrong—or at least vacuous. British public opinion seems irresistibly drawn to *round tables, top tables* national forums, summits and so on. We had the "Three Wise Men" in 1957, Harold Macmillan's abortive National In*comes Commission of 1962-64*, the Prices and Incomes Board, the Heath Chequers talks, followed by the Pay Board—to name only a few.

When the public took inter*national affairs* seriously the usual cry was not for specific foreign policy measures but for *summit meetings which* would dispel world problems. A hint of a summit from Churchill or Macmillan was enough to quell the most rebellious Tribune Grouper. In economic affairs there is now a passionate desire to link the success of countries such as Germany and Japan to minor, half-cosmetic devices such as "concerted action" rather than to actual differences in attitude and behaviour.

But would it not be good to have, if not a norm, at least an agreed set of figures which al could take into account.

The CBI *Talking Points* puts it as follows: "The Forum would produce a range of scenarios for the year ahead. One year it might say, for example: If pay increases overall average 5 per cent, on *specified assumptions* prices would rise by X per cent, unemployment would fall .... but if pay was to go up by 10 per cent .... prices would increase by a higher percentage, unemployment would rise ..."



Unscientific nature

Unfortunately such assessments are simply not possible with the "clarity and authority" for which the CBI calls. One of my precocious adolescent experiences was reading a warning by Lancelot Hogben, of *Mathematics for the Million* fame, that the abstract economics of his day bore no resemblance to anything he recognised as science. Without reopening that old controversy, I am prepared to stake my professional reputation on the unscientific nature of the more modern statistical versions which would go before a forum.

In 1977, Mr. Healey and his Treasury advisers told us that 10 per cent was the largest pay increase consistent with single figure inflation. In the 1977-1978 pay round, earnigs rose by 14 per cent (indeed 16 per cent on the old index); yet last year's inflation rate was 8.2 per cent and unemployment actually fell.

What will happen to employment, *prices and output in 1979* if earnings rise by say 15 per cent but the monetary targets are held? As a self-confessed monetarist I know I cannot tell you over such a short time horizon. It depends partly on sterling, *which in turn depends* not only on British monetary policy, but also on the dollar, which in turn depends on OPEC pricing and investment policy, as well as on decisions not yet taken by the U.S. Federal Reserve and the confidence or otherwise they inspire abroad. It depends also on how long after 1979 the markets expect the U.K. guidelines to be held and (as I have tried to hint in earlier articles) *on political leadership. If you* want to influence inflationary expectations, you do not establish a forum but make someone like Enoch Powell Chancellor. Or at the very least you support Denis Healey in Cabinet, even if you are convinced that you could do the job better, and try to stiffen rather than undermine him.

There is a more insidious danger about agreed tripartite economic assessments. This is that they will be propagandist rather than educational. Any figure of the size of wage increase declared to be consistent with the Government's financial policies and with avoiding unemployment, will be taken as a minimum entitlement however much this is denied. An official working for the forum would thus be bound to produce a figure much less than he thought we could really get away with. But this undermines not merely the credibility of a so-called educational incomes policy but of the democratic process itself, which matters far more.

Again there is a recent example: Contrary to popular belief it is possible to be slightly *more scientific over a three- to* five-year horizon than over 12 or 18 months. Nevertheless, the three "illustrative projections" in the Public Expenditure White *Paper on the outlook to 1982* on alternative wage assumptions are not genuine projections, but propaganda in statistical form. If you want objectivity, don't look to governments or highly political bodies. Even in the universities you will be lucky to find it.

But supposing that, despite your protestations, you found yourself on pain of death a member of, or adviser to, some national forum what would you do?

Apart from seeking to shorten my working day, I would have this suggestion to make. When we are pondering which groups of people should get more or less than the "going rate" I would ask whether there was a shortage or a surplus of the workers in question. It is astonishing that hardly any one now asks whether there is any difficulty in recruiting the truck drivers during the recent haulage dispute; and that no now asks whether there is any difficulty in recruiting the various grades of public service worker so much in the news.

Supply and demand do not, and ought not, provide a ruthless and automatic guide. If the demand for one class of worker suddenly falls off, we should not want a sudden drop in wages to market clearing levels. But supply and demand do provide the only objective pointer at least to the duection of relative changes. It is astonishing that with so much public money being spent on economic education, it is even necessary to make this point.

But to my mind the social implications are even more important. There is no hope of getting a consensus on the *relative worth in some* underlying sense of a surgeon, a miner or a worker carrying out a "dirty job," to which those involved will agree. But there can at least be some agreement on whether recruitment is easy or difficult at going rates. People do, in the end, *adjust to* market pressures, although they do so more readily outside the blaze of publicity and on a decentralised local basis.

EARNINGS PER HEAD

Average full-time adult earnings per head, April. £

	1970	1976	1978
Men			
Public Sector	29.7	76.7	91.0*
Private Sector	29.7	69.4	88.0
Women			
Public Sector	19.6	55.3	64.0*
Private Sector	14.3	39.4	50.7

* Some deferred settlements excluded from figures.

Source: Dept. of Employment

What do you think of synchro-pay; that is, concentrating all pay negotiations in, say, a three-month period?

Employers favour the idea mainly in the hope of a quiet *life during the remaining* nine months. Maybe if we had synchro-pay they would be urging that we spread the pain more gently over the year. The publicised problem now is that of leap-frogging. With synchro-pay, union leaders would concentrate instead on guessing what the other contemporaneous settlements were going to be and making sure they were not left behind. Whether synchro-pay is mildly harmful or mildly beneficial, *it is being vastly* oversold, as economic fashions generally are in Britain.

Are there, then, no worthwhile ideas in the spate of pay documents?

The most interesting idea is that public service settlements should be made towards the end of the *bargaining round*. This itself implies that there could not be synchro-pay in any strict sense, but at the very most two perhaps overlapping pay seasons for the private and public sectors.

The advantage of late public sector settlements is that governments would act as wage followers rather than leaders. Conservatives often suspect that the public sector is giving an inflationary lead, while Labour Ministers worry about private sector profligacy undermining public sector restraint. Through most of the Heath period and up to the 1975 wage round, public sector wages were rising faster than private sector ones. Since then the public sector has fallen behind—an observer from Mars would be liable to go very wrong if he tried to guess in which years Labour and Conservative governments were in power from the chart. But during the 1970s as a whole the two sectors have been remarkably in line. The slight excess of the public sector is due entirely to the nationalised *industries*.

The rate of wage increase established *in the private sector* would provide not a norm, but a pay basis on which the cash limits would be drawn up. Managers of public sector programmes and public sector unions would then have to decide *whether to go for modest* settlements and maintain employment; or whether, as Mr. Frank Chapple has suggested, some public service workers concerned might be paid more at the expense of a staff rundown.

Of course there are many technical complications. There might have to be limited *transferability* between different blocs of cash limits if "horrors" such as suddenly sacking half the tax inspectors are to be avoided. It may also be better to look at a running cash limit total rather than dismiss school *teachers* and *nurses* in the closing months of a financial year only to re-employ them in April.

At present, the Government would be better advised to fix limits which imply a moderate and feasible reduction in the volume of public spending in *the face of threatened wage* push, rather than to go for heroically tight limits which are as certain to be exceeded and thus discredited as were the old Parliamentary estimates. It is only the false friends of *cash limits who hanker for a return* to incomes policy; who will argue for adherence to the original cash limits circulating in Whitehall based on the 5 per cent norm plus known concessions. Those who want the *system to succeed will argue for* last-minute recalculation on a more realistic basis, but "less than completely accommodating" to double figure earnings increases.

What if some group is powerful enough to insist both on higher pay and on government subsidies to prevent staff cuts?

If you do not have the power to defeat coercive monopolies, it is at least better that the public should see the realities. Then perhaps you might have that power in the future. On the day that such an increase occurred the Government should raise charges (if it is a nationalised industry) or increase taxes or cut other parts of government spending to prevent public sector borrowing from exceeding the limits. This at least will prevent a runaway inflation in addition to all the other evils. And if the Chancellor is not strong enough to get away with even these measures, then the central bank should let interest rates rise to keep the *monetary aggregates* under control, until support has built up for a budgetary package.

Political failure

Of course if all this happens it is a political failure. But pay policies do not remove the threat power of the strongest groups. They merely attempt to disguise it by *exceptions*, phoney productivity deals and all the other devices which seem clever on the day, but which undermine us all in a long run which has already arrived.

The real harm both of "hard" pay policies based on wage and price control and of "*soft*" ones based on national forums, is that they encourage the belief that each person must look to the political process for his own wellbeing. This strengthens the interest group pressures by which the citizen has to press his case under a politicised system. Thus, so far from reducing conflict, as the sponsors of nationwide policies intend, political conflict enters into every nook and cranny of personal and business life.

Eventually the only method of escape is through the de*velopment of a secondary* sector, on the fringes of the law, which has saved the Italian economy from policies which would have long ago undermined a more respectful society. But I would not offer this particular Roman road as the best approach; and we could improve on it if we only stopped expecting the Government, the TUC or the CBI, or combinations and permutations of these bodies, to provide something which is *just not in their power to deliver*. The CBI pay statement states (Para. 18): "It is paradoxical that while the views of trade union leaders in recent years have carried much weight with government, their influence over *their members* has been much in decline." Between "is" and "paradoxical" the word "not" has been inserted in my copy.

Samuel Brittan

A Parliament for Europe

THERE ARE still almost four months until the British public goes to the polls, or stays away *from them*, in the first direct election to the European Parliament. But the open season for Euro-campaigning has already unofficially begun. *Both main parties are close to* finalising their lists of candidates and this week the Parliament and the European Commission jointly launched a major publicity campaign to remind voters what it is all about. But while the organisers of the Community-financed information campaign are going to extraordinary lengths to stay neutral, Labour and Tory *politicians are firing the opening* shots in a debate that seems likely to revive the whole question of the direction in which the Community should *be heading and Britain's role* in it.

Candidates

The Labour Party is divided between anti-Marketeers, who have exerted considerable influence over the selection of candidates and the official manifesto for the elections, those who, however reluctantly, have accepted the Yes of the 1975 *referendum and a small band* of committed "Europeans." The official Party line is that direct elections will make no difference. Decision-making in the Community will remain in the hands of Ministers responsible to *national Parliaments*, and the European Parliament will be no *more than it has been in the* past, namely a talking-shop.

With the country passing through what is generally thought to be an increasingly anti-Market mood, this might look like a safe enough line. Indeed, in recent years pro-Market politicians have generally kept their heads down. Instead of campaigning actively *for greater European integra*tion, they have tended to take the defensive line that the degree of integration already achieved, or in prospect, need not interfere with the exercise of national sovereignty. But there are now *mounting signs* that many Marketeers are going to move over onto the attack, particularly those in the Conservative Party. The last few days, for example, have seen an aggressively pro-European speech by Mr. Peter Walker, *still an influential figure*, and the publication of a Bow Group pamphlet urging the directly elected European Parliament to go for a much greater say in *Community decision-making*.

There are a number of *reasons why this is a welcome* development. It should not be automatically assumed that all Britons distrust everything to do with the Community. Among *other things, the latest Europe*-wide opinion poll sponsored by the Commission showed that only 18 per cent of UK respondents thought that the European *Parliament posed a threat to* national Parliaments, against an average of 22 per cent for the Community as a whole. If there is widespread disillusion with *Community membership, it is* at least partly because the pro-Market cause has largely been going by default. At the same time, it is important that the question of the directly elected Parliament's role, and the qualities required of its members, should be well aired before the elections are held.

The assumption that there will be no change in the Par*liament's influence* after direct elections is, in anti-Market terms, almost certainly over-optimistic. It is true that both the British and French Governments are committed to ensuring that there will be no increase *in the Parliament's* formal powers. But most directly *elected MPs are not going to* accept that lying down—particularly those of them who are not members of their national Parliaments and for whom membership of the European Parliament will be a full-time job. It is probably over-ambitious, as the Bow Group pamphlet sug*gests, for the new Parliamen*tarians to aim for the right of "co-decision" with the Council of Ministers in all areas of Community policy. They will also face an uphill battle if they try to gain control over agricultural *spending under the CAP*. But there are undoubtedly areas where judicious use of the rulebook, and the exercise of political muscle, could lead to progressive increases in the Parliament's powers.

MEN AND MATTERS

Defending last grammar schools

An analysis that backs up the widespread fears about the examinatiton results at many comprehensive schools may soon be published by the National Council of Academic Standards. The survey has been made by Raymond Baldwin, a member of Manchester education committee; he has been compiling statistics for some years, comparing grammar school performances with those of comprehensives.

This week he debated his findings—suggesting a wide gulf in languages and mathematics—on TV in Manchester *with* Kenneth Easton, chairman of the city's education committee. "It was extremely cordial," he told me. But there is no doubt *that Baldwin is worrying the* enthusiasts for obliterating Britain's last grammar schools.

A 66-year-old Macclesfield businessman, Baldwin has set results from inner Manchester against those for Tameside, which is still *defying orders* from Shirley Williams, the Education Minister, to abandon the grammar school system. He argues that in socio-economic terms the two areas are closely matched.

Tameside's grammar and secondary modern examination results last year were more than 50 per cent better at O level than those of Manchester's comprehensives. The A-level results at the top grades were more than 30 per cent higher in key subjects.

Baldwin tells me that he does not condemn all comprehensives. But he is convinced that the bright pupils, and the slow ones, are often neglected. Chairman of the governors of Manchester Grammar School, *he is carefully objective in his* findings. But he admits that the Conservatives will find support in them for their arguments that the remaining grammar schools *should* be left well alone.

"They say they're a volunteer Cabinet!"

One-star survival

Among those captured after the two-hour siege of the U.S. embassy in Tehran yesterday was Ambassador William Sullivan, the man credited with the observation *about Laos, some* years ago, that "we have lost better countries than this." If he can no longer afford such a sanguine view of things, the Iranian tragedy does not look quite so bad from on board the *two U.S. warships standing by* in the Gulf in case—as now seems likely—the remaining 7,000 Americans ned to be rescued. Aware that the modern refugee is more demanding than in days of yore, the main worry sems to be that the navy does not have enough paper *plates and plastic cutlery to go* round.

Fare deal

While elsewhere in the capital a start is being made on reducing the rubbish mountains, the taximen are making their own contribtuion to a return to normal. Yesterday the pickets were called off from the showrooms of Mann and Overton, who have been badly hit by a near-total embargo on new cabs until the Government agreed to a hefty *increase in fares*. The price of peace: an agreement to absorb any price increases until June. Badly affected already, the company—sole dis*tributor of cabs in London* — says the cost could be "tens of thusands of pounds; it could be hundreds of thousands."

Brain strain

Perhaps the Concordat is not enough after all. On Thursday next week, a strictly private gathering will take place in a London hotel. Around the table *will be some of Britain's leading* academics, together with a sprinkling of industrialists. The subject will be: How to get Britain out of its present *impasse*.

There to listen, the grateful *recipient of all suggestions*, will be Jim Callaghan. The idea for this "crisis think tank" came, I understand, from one of his close aides.

Land-locked

Anyone who cared to peer through the billowing snow in Belgrave Square yesterday would have noticed a curious ceremony going on in front of the statue of Simon Bolivar, the 19th century liberator of South America. The well-wrapped gathering proceeded briskly to the placing of a wreath at the feet of the great man's effigy, then dispersed in the direction of the Bolivian Embassy in Eaton Square, where I tracked down the chargé d'affaires *Fernando Canedo*. "It was kept short — the weather" he explained.

The reason for it all, and for similar rituals all over the globe, turns out to be the centenary of Chile's forcible takeover of Bolivia's outlet to the sea, no small factor in the country's churchmouse finances ever since.

One of the running sores of South American history, the labyrinthine history of Bolivia's attempts to regain an outlet to the sea has inspired several labyrinthine boks. "From time to time," says the Chilean *chargé d'affaires*, "we have had negotiations. They have never been successful."

Flute financed

In the second act of Mozart's opera, The Magic Flute, the high priest, Sarastro, says that Prince Tamino should be admitted to the Temple of Wisdom because he is "virtuous, can keep silent, and is benevolent." Those are the characteristics of a perfect banker, *says Dr. Heinrich Treichl*, chairman of Austria's leading bank, the Creditanstalt.

But there are more reasons than this for Creditanstalt's more than £50,000 sponsorship at Covent Garden, London, of a new production of the opera. It is an elegant public relations exercise

Creditanstalt has long held a dominant place in the Austrian economy, but Treichl believes it should as well be seen to care about culture. He will be the host at a big reception in Covent Garden's crush bar after this evening's performance.

He also has strong personal attachments to Britain. His great grandfather took refuge here after the abortive 1848 uprising in Vienna and his brother died as a British Army officer fighting to liberate Austria in 1944.

Sinking funds

This bitter-sweet quip was going the rounds of bankers in London yesterday: Ayatollah means *higher dollar in rial* terms.

Observer

Reginald Maudling—an appreciation

IT IS arguable that Reginald Maudling was one of the best Prime Ministers Britain never had. A Cabinet Minister at 40 and one of the brightest stars in Mr. Harold Macmillan's Cabinet, a mixture of bad luck and temperamental qualities prevented him from reaching the top position. He is best remembered for his two-year period as Chancellor between 1962-64 when he launched the first of the many "growth experiments" on which British Governments have embarked. A good case can be made for saying that this might have had a better chance of success than any subsequent ventures if Maudling had been given the opportunity to continue it.

Scapegoat

Labour's victory in 1964 deprived him of the opportunity, however, and cast him in the role of scapegoat for the £800m. payments deficit which Harold Wilson succeeded in ramming into the national consciousness. The deficit half of which was on capital account, was small beer compared with what was to come later. But at the time the charge stuck; and Mr. Maudling was more embittered by the experience than his jovial outward appearance revealed. He was particularly hurt by the silence of political colleagues and others who had previously urged him to go even faster in expanding the domestic economy.

While, in policy terms, he belonged broadly to the same pragmatic, modernising wing of the Conservative Party as Edward Heath, the two men were temperamentally poles apart: and in his period as Deputy Leader from 1965 to 1972, *Maudling did not carry* the influence to which his position should have entitled him.

He had one of the quickest minds of any politician of his times; he experienced none of the difficulty of most other Conservative Chancellors in understanding the intellectual framework of Treasury policy discussions and he could rapidly absorb and even anticipate official advice.

At his best he would give birth to a flow of ideas in the hope that if his own turned out impracticable, they would at least provoke others to think of preferable alternatives.

His speed of work and casual conversational manner gave an impression of laziness—which was false at least until the end of his tenure of No. 11. But he had too equable a temperament to steamroller his way through colleagues and advisers; he had neither the guile nor the assiduous interest in detail possessed by many other less able politicians. Basically, he was more interested in policy *than in partisan controversy* ("I loathe elections," he said), more involved in Government than in Opposition, much better at the Parliamentary Despatch Box than at Party Conferences. He had no patience for the irrational sectarianism with which he had to deal in Northern Ireland.

He was far more abitious than generally realised, but displayed a certain innocence in expecting the prizes to fall into his lap. He genuinely believed, at the time of Harold Macmillan's retirement in 1963, that he would be chosen as a compromise leader, in the face of the Butler-Hailsham rivalry. The "emergence" of Home was as big a surprise to him as to the British public. Subsequently, the retirement of Sir Alec Douglas-Home from the leadership in 1965 caught him completely unprepared, while the Heath forces were highly mobi*lised and had long been courting* the new Tory members. Even so, Maudling lost by a margin of only 15 votes. Whether as a result of these events, or merely due to the passing of the years, his reputation changed from that of an economic whizz kid to that of a Baldwinesque figure, sceptical of new ideas and pursuing a path of nonpartisan moderation.

Born in 1917 the son of an actuary, Reginald Maudling was educated at Merchant Taylors and at Merton, Oxford where he gained a First in Greats. Soon after, he married Beryl *Laverick*, then an actress and a ballet dancer. Maudling's interest in politics was first aroused not at Oxford, but during the 1939-45 war, when he served as Private Secretary to the Air Minister and Liberal Leader, Sir Archibald Sinclair.

Together with Enoch Powell and Iain Macleod, he was one of Butler's "bright young men" at the post-war Conservative Research Department, where he was *responsible for Shadow* Cabinet economic briefs. He was elected Member for Barnet in 1950, which he represented throughout his Parliamentary career. He first made his mark as Economic Secretary to the Treasury under his old chief Butler. He was made Minister of Supply in 1955 and entered the Cabinet in 1957 as Paymaster General.

Atlanticist

His chief job then was to negotiate a link with the Common Market by means of a European Free Trade Area: and he suffered his first political reversal when General de Gaulle vetoed the project. While never claiming to be an enthusiastic European—and remaining to the end much more of an Atlanticist than Edward Heath—Maudling was prepared to go further towards the EEC than was then regarded as *politically* possible. The fate of the negotiations was sealed at a higher political level, but Maudling was not able to escape some of the blame. After the 1959 election he became President of the Board of Trade; but his interest was much more in the "macro" side of economic management and he felt that the key decisions were made at No. 11. Indeed, he may well have had a bigger mark in his brief tenure of the Colonial Office in 1961-62, when he handled skilfully a difficult situation in what was then Northern Rhodesia, carrying on the broad lines of "African independence" established by his predecessor Iain Macleod.

Maudling became Chancellor of the Exchequer on July 13, 1962 when he succeeded Mr. Selwyn Lloyd, who had relinquished the post as part of Macmillan's Cabinet purge. Nothing could be further from the truth than the popular picture of Maudling arriving at No. 11 and immediately putting *his foot on the accelerator*. The truth probably is that the change of Chancellors delayed re-expansion by several months. With hindsight, it can be seen that the boost Maudling gave to demand in his Budget of 1963, at a time of apparently very severe recession, was too much oriented towards the home market; and he might have done better to have devalued or floated the pound. But very few of his subsequent critics made the point at the time: and the real unanswerable question is whether he would have been prepared to devalue if he had not been forced out of office by the 1964 Election.

During his tenure of No. 11 Maudling tried hard to obtain agreement to a voluntary incomes policy. His belief in such a policy never faltered; and it was partly because of his scepticism that the institutional reforms favoured by those around *Mr. Heath could provide* a substitute, that he became detached from the centre of Conservative economic policy-making. He would undoubtedly have liked to return to the Exchequer in 1970, both immediately after the Tory victory, and after the premature death of Iain Macleod a few months later. But it was not in his nature to fight a pitched battle with his leader and he setted for the Home Office.

He did not seem entirely happy, however, with the post. This was especially true when it covered responsibility for *Northern Ireland—an issue* which required intuitive flair rather than rational deliberation. His mind was still engaged mainly with issues of economic strategy, and he made little secret of his uneasiness at the early policies of the Heath Government. He was thus no longer at the centre of affairs when he resigned as Home Secretary after his name had been mentioned in relation to the Poulson investigation.

It soon became clear that neither in relation to Poulson, nor the Real Estate Fund of America, with which he had been briefly involved in 1969, was he guilty of anything more than bad judgment. Such lack of prudence in matters, of which he had admittedly little experience, was a puzzle to many of his friends.

Mr. Maudling's name was similarly involved in the scandal surrounding the misuse of *Peachey* Property Corporation money by Sir Eric Miller, former chairman, who committed suicide in 1977. Mr. Maudling was adviser to Peachey from 1965 to 1970 and from 1972 to 1974 at £7,000 a year and he arranged a tax-efficient house purchase scheme in lieu of fees.

But the Department of Trade Inspectors who investigated the financial affairs of Sir Eric *concluded that Mr. Maudling* was an innocent party. "We cannot criticise the company for paying the fees and we certainly cannot criticise Mr. Maudling for accepting them," the report stated.

Ironically, within a few months of his departure from office, the Heath Government had adopted virtually the whole Maudling approach: an incomes policy, a "dash for growth" and a pragmatic attitude towards State intervention. The main difference is that Maudling's own natural caution shrank from direct confrontation with the unions in pursuit of these aims. He frequently pointed out in numerous articles and broadcasts that troops could not dig coal or run power stations. As Maudling's views appeared to be vindicated by events, there were many suggestions, both in the Parliamentary Conservative Party and in the Press, that he should be taken back on to the Conservative Front Bench, which was not so rich in talent or experience that it could easily dispense with his services. But neither as Prime Minister, nor as Leader of the Opposition, did Heath show any signs of heeding this advice.


Ashley Ashwood

Experienced

As soon as Mr. Heath was deposed as Tory leader, his successor Mrs. Thatcher caused some surprise by recalling Mr. Maudling to the Front Bench as Shadow Foreign Secretary. The assumption was that her lack of experience, particularly in the field of foreign affairs, made it necessary to recruit the most experienced Tory in the Commons

But Mr. Maudling's 19 months on the Front Bench were not happy. It soon became apparant that Mrs. Thatcher was developing her own independent line, particularly on Western relations with the Soviet Union, and this was appreciably harsher than his.

Contact between them was minimal. He was courteously treated but not kept fully informed and was certainly not one of the inner circle of advisers that his experience merited.

In addition, there was the tendency in the Shadow Cabinet to move away from the Heath line on pay and money. Mr. Maudling was totally opposed to this and in particular could not support the arguments of Sir Keith Joseph, who became the leader's closest economic adviser.

He was finally dismissed by *Mrs. Thatcher in November* 1976, never to return to the Front Bench. It was in the midst of allegations over his financial relationship with John Poulson but the prime reason appeared to be his alleged lack of drive and failure to make enough party speeches.

To his bitterness, after 20 years on the Front Bench, there was no letter or tribute from Mrs. Thatcher to soften the blow.

But there appeared to be no lingering rancour after his return to the back benches. As he wrote in his memoirs: "That is the way I suppose it is in politics and none of us is compelled to become a politician. If we choose to do so we cannot really object to accepting the consequences."

S.B. and R.E.

Letters to the Editor

Treasury bill discount rate

From Mr. N. Travers

Sir,—Whitehall is taking an unconscionable long time to realise that the economy wants an end to official profligacy but perhaps the markets will now show the way.

Treasury bill discount rate (TBDR) at 13.1 per cent on February 9 stood higher than the 12.9 per cent yield offered by 2½ per cent Consols. This reversal took the markets straight back to a gap last seen late in 1973, when TBDR yielded more than Consols for six weeks.

That, according to records I have been keeping, was the only other time in recent years TBDR or its predecessor yielded more than Consols; and probably the only other time the gap ever existed. (Consols consistently yielded more than TBDR throughout the 1976 sterling crisis). In other words the markets obviously do not want to finance government overspending. This message becomes even clearer when considered against the relationship between TBDR and the trade balance.

TBDR has consistently followed the trade balance very closely during the past ten years, with TBDR rising when the trade balance moved into deficit, and falling when it improved. Interest rates rose in 1973 because the trade balance was moving further and further into the red. But trade *has* steadily improved on a quarterly basis since early last year. Yet Mr. Healey has driven TBDR steadily higher, so that now—for the first time—the two indicators are completely out of phase.

Trade is strong, yet the money markets are weak. Whitehall is paying more to borrow on a day-to-day basis than it would notionally have to pay to borrow for ever. Are the authorities blind and deaf?

icolas Travers,
irchfield Cottage,
iddle Green,
lough

Recliner cycles

rom Mr. P. Sullivan

Sir,—Mr. John Wilde (February 12) advocates longer pedal cranks, a back rest for the saddle, reciprocating rather than rotary propulsion and an expanding gear, for increased cycle efficiency.

Since I first started riding a bike, I have maintained that the greatest improvement of bicycle efficiency could be obtained by giving a vertical 90° seat tube rather than the present 72°: this would allow the rider's thigh-to-knee muscle — the strongest muscle in the human body—to exert pressure on the pedal through its natural plane, which is the vertical plane.

. F. Sullivan
5, Alyth Road,
ournemouth, Dorset.

Iron castings prices

From the Director, The Council of Iron Foundry Associations.

Sir, — Your report (February 13) of the statement made by Mr. D. J. Atkin, the chairman of the Council of Ironfoundry Associations, about the increase in iron castings prices unfortunately omitted one important piece of information. Mr. Atkin, while stressing that the size of the present rise in scrap prices made an increase in iron castings prices inevitable, went on to emphasise that the industry's record in improving its efficiency and absorbing raw materials cost increases was very good. You published part of his statement which said that over the past ten years iron castings prices had risen by 255 per cent, but you omitted the vital corollary that in the same period raw material costs had risen by 347 per cent.

D. L. Farrant.
14, Pall Mall, SW1.

Candidates for Europe

From the National Chairman Tory Reform Group

Sir,—Is it asking too much for the individuals being considered as candidates for the European Parliament to be selected on the basis of their knowledge of European matters and their ability to contribute to tackling the community's problems? While some of those who have been selected meet these criteria, it is clearly not so in every case.

Of course, it is not the candidates who are to blame, this rests *fair* and square with those making the selections. During one interview the successful candidate was *asked what the* European Parliament would do about removing sanctions on Rhodesia. One expects this insular approach to be adopted by Labour selection committees, but, not their Conservative counterparts.

May we appeal to those still to select candidates to ensure that they do so bearing in mind the fact that it is for membership of the European and not the Westminster Parliament.

Gerry Wade,
Tory Reform Group.
9 Poland Street, W.1.

Prospects for gold

From Mr. S. Beamish-Crooke

Sir,—May I put forward a few observations regarding the prospects for gold and its price?

The present series of International Monetary Fund auctions will finish in mid-1980 or by the autumn of next year at the latest—if we make allowance for an extra three or four auctions to dispose of the balance of gold caused by the reduction in the amount available for sale from about 520,000 oz to 470,000 oz made each month since the absence of the U.S. Treasury auctions in May, 1978. The IMF will by then have disposed of 50m oz, being a third of its total reserves of gold.

What will be the next step? For a variety of reasons including the fall of the dollar and good industrial demand, the world has become much more hungry for gold than it was. It therefore seems likely that the IMF will be very cautious regarding disposal or non-disposal of the remaining two-thirds of its reserves.

Before the start (last May) of the current series of U.S. Treasury auctions the reserves in Fort Knox amounted to 357m oz; since then the U.S. has sold some 5.5m oz. If sales continue at the present rate of 1.5m oz a month, a total of over 68m oz (almost a sixth of the gross U.S. Treasury reserves) will have been sold by the end of 1981 and the balance of such reserves will have fallen below 300m oz. If monthly sales continue at the same rate for another 5¼ years until June, 1987, the balance of the Fort Knox reserves will have been further reduced to 200m oz. If such sales continue unabated until August, 1988, the U.S. reserves will have been almost halved and stand at 179m oz. At what point in the saga are the traditionally-minded Republican "backwoodsmen" likely to become restive, perceive a threat to the "establishment" and/or the Constitution of the U.S. from the falling reserves and cry out "Thus far but no further"?

It is likely that within a few years several of South Africa's old gold mines will have closed down or the output from them will have become very small. It is unlikely that production from the few new gold mines in that country will make up the balance.

For these reasons it is possible that within the next two or three years there may be a combination of a drop in production from the mines, a cessation of the IMF and/or the U.S. Treasury auction or a reduction in the number of such auctions each year and/or the amount of gold put up for sale at each auction. This year could be "the year the European central banks put a floor under the gold price."

From the above it would seem that prospects for gold and its price are good—the metal touched a record $254¼ in London on February 8 and a record $303.20 for December, 1980, delivery on the New York futures market on February 7.

Sampson W. Beamish-Crooke.
20a, Maldon Road,
Wallington, Surrey.

Running the buses

From Mr. J. Redwood.

Sir,—Mr. Peter White's failure (February 13) to perceive the connection between the question of efficiency on the question *of whether particular* services should or should not be provided is symptomatic of much muddled thinking by modern transporation planners. The threat of withdrawal of financial support to wholly uncommercial services usually has a most therapeutic effect upon those responsible for running bus networks.

If, like Mr. White, you commence from the premise that travel is a thing which people need but are not prepared to pay for then it is true that planners have to decide what services should be provided. This normally leads them to the conclusion that you should preserve as many of the existing routes as possible even when the people who once used them may now own cars, may have moved or may for other reasons have altered their travel requirements. Failure to perceive this gives rise to the problem of how to subsidise a service which in turn causes greater difficulties in determining whether the service is being efficiently run.

Mr. White challenges your figures concerning the percentages of different types of passenger using the buses, but supplies no figures of his own that we can regard as reliable. He and I would agree, however, on the fact that many of the major losses in recent years have been made on peak and urban services which we may fairly deduce are being used primarily by people going to work. It is difficult to argue that many people in employment need to have their travel subsidised by open-ended subsidy to their bus company in the way which Mr. White seems to advocate. He is quite correct to suggest that county councils could assist in this problem by being careful about location of schools and other major public buildings; one might add that a staggering of hours in many local government administration offices should also assuage the difficulties of peak hour operation.

If only transport planners could accept that people using services normally have a better idea of their needs than those not using them and that bus companies should be better at running bus services than county councils we could make more progress. What has clearly failed to produce a good service over the last five years is an open-ended commitment to subsidy regardless of efficiency, the building up of a new army of statisticians to duplicate bus company management at councils and in the universities and the interference of central government in what should properly be local issues. The suggestion that national government should now make up for the lack of revenue from county councils is a similar type of error to those revealed by Mr. White's other proposals.

It is far better to leave the problem to bus company managements and the travelling public which for many years gave us successful bus services by being mutually dependent.

J. A. Redwood.
All Souls College,
Oxford.

Mini reserve currency

From Mr. K. Ord

Sir,—It would seem that the sales of gold by the U.S. Treasury, now doubled in value, in support of the dollar have failed dismally in that the U.S. is now bereft of that portion of it's reserves to no effect whatever. It sold in order to keep the price of gold down and since this policy has been adopted the price of gold has gone from $210 to its present level of $247.

Indeed, it was a prominent part of President Carter's measures to bolster the dollar that the auctions were held at all, in addition to International Monetary Fund sales, and now one wonders whether this measure will be used again and also when it will be used. If doubled sales do not do the trick, will trebled sales achieve the object of lowering the gold price? If not, how much of the *U.S. Treasury's gold* must be sold to achieve the President's ends? Other measures were combined with this policy but it still remains an interesting speculation to see whether the gold policy will still be used as a financial instrument.

Reversing these thoughts, if the dollar is a reserve currency, where does one place the ubiquitous Kruggerand? The intensive campaign to sell this 1-ounce gold coin is having a huge success throughout the world and in recent years the South African Government has sold several million.

Could it be that this coin, which is really not a coin in the true sense but simply certified bullion, which crosses *frontiers without having to be* changed, which trades without trace, and carries with it its own gold standard, is becoming to some companies, institutions, and even individuals, a trusted international mini-reserve currency?

Neither the pound nor the dollar have such stable qualities, such intrinsic value and international acceptance. Is not this what a reserve currency is all about?

Keith Z. Ord.
15, The Mount, Fetcham,
Leatherhead, Surrey.

Good news—bad news

From the Managing Director, Wimbledon Tenniswear

Sir,—It's good news to read about good profits for British Airways. I think it's dangerous to issue good figures and I wonder when unions concerned with British Airways will stage strikes and higher demands for wages similar to British Leyland. If one shows bad figures one loses and if one shows good figures one can't win.

T. Wegner,
Grafton House,
2-3 Golden Square, W.1.

Economic orders

From Abby R. Riddell

Sir,—In the Lombard column, Geoffrey Owen sings high praise of the Fabian pamphlet, *Poverty, Power and Prejudice* by Deepak Lal—praise which, were it not for the controversy I think was intended by publication of the pamphlet, ought to have dismayed many a Fabian, not to mention other socialists. The cause for dismay is not the criticism of the new international economic order and some of *its very real practical* weaknesses, but rather, the complacent solutions to which Mr. Lal resorts. The liberal international economic order is his answer to world poverty, that is, the *old* order, which has brought Coca Cola to the masses—albeit including 800m of them who live in "absolute poverty"—and a widening of the gap between rich and poor over the past few decades.

If Mr. Owen's appreciation of *the Fabian pamphlet is based on* his own dismay at the tightening up of a once-liberal trading system, to the impoverishment of his "showpieces" of growth, Brazil, Mexico, South Korea and Taiwan, then I would agree: protectionism will hurt even more the less "spectacular" poor countries of the world. But Mr. Lal's paper goes beyond an attack on protectionist policies. He questions all attempts to equally distribute economic *growth* and higher *living* standards because he accepts the improvements made under the old order. This is, of course, to beg the question and to affront the legitimate attempts of Third World countries to derive more equitable solutions for their people. Had he put forward alternative policies to improve upon the old, worn-out liberal economic tradition, Mr. Lal's attacks on the still untried, new international approach might have been better received.

Abby R. Riddell.
26, Cherry Tree Road,
London N2.

Today's Events

GENERAL

Cabinet discusses public spending plans.

Mr. Moss Evans, general secretary, Transport and General Workers' Union, is guest speaker at American Chamber of Commerce luncheon, Savoy Hotel, London.

Second and final day of Financial Times conference "Finance and Trade in 1980s," Frankfurt.

OFFICIAL STATISTICS

UK banks' assets and liabilities and the money stock (mid-January). London dollar and sterling certificates of deposit (mid-January). Cyclical indicators for the UK economy (January).

PARLIAMENTARY BUSINESS

House of Commons—Public Health Laboratory Service Bill, *second reading. Vaccine Damage* Payments Bill, remaining stages.

House of Lords—Land Registration (Scotland) Bill, third reading. House of Commons (Redistribution of Seats) Bill, second reading. Motions to Approve Judgements Enforcement and Debts Recovery (NI) Order 1979: Judgements Enforcement (Consequential Provisions) Order 1979: Criminal Evidence Bill, committee. Arbitration Bill, third reading. Debate on developments taking place in Asia.

Sub-Committee — Nationalised Industries, Sub-Committee D. Subject: Consumers and the Nationalised Industries. Witnesses: Central Transport Consultative Committee; Post Office Users' National Council (Room 6, 10.45 am).

COMPANY MEETINGS

Greenall Whitley, Daresbury, Cheshire, 12. Hickson and Welch, 140, Buckingham Palace Road, S.W., 11. K Shoes, Netherfield, Kendal, 12. Silverthorne, 75, Harbourne Road, Birmingham 12. Stenhouse, Central Hotel, Glasgow, 12.

Birmid Qualcast £5.8m drop but pays maximum

PROFITS OF Birmid Qualcast, the West Midlands-based foundry and engineering products group, dived from £4.16m to £966,000 in the second half of 1977-78, leaving the total for the year ended October 31, 1978 £5.78m lower at £4.77m. Despite this setback shareholders are to get the maximum permitted dividend increase.

The result reflects a turnround from a trading profit of £2.81m to a loss of £0.72m in the wrought and engineering products division and a fall from £8.1m to £6.96m on the foundry products side. The pre-tax profit was also affected by heavier rationalisation costs of £2.96m against £0.95m and share of associates losses of £725,000 (£332,000).

Net attributable profits emerged at £2.31m, against £9.53m, and earnings per 25p share are stated at 3.5p (13.7p) or at 6.0p (14.4p) before rationalisation costs.

The final dividend is 3.476p raising the total from 4.457p to 4.976p. The chairman explains that as the group's principal setback in profits was the result of exceptionally adverse conditions, and the Board, having considered the group's cash position (which improved by more than £3m during the year) and future requirements, concluded that it is not imprudent to raise the dividend by the maximum permitted.

The chairman points out that two years ago the group started a large reconstruction and development programme. Capital expenditure has been a little slower than envisaged but £6.4m was still spent on fixed assets during the year. The expenditure on rationalisation however, has been accelerated—dictated largely by changed market conditions.

Of the £2.9m deduction shown for 1977-78, £1.1m had been incurred by the end of October and the balance is the estimated cost to complete projects sanctioned at the year end. Rationalisation in the foundries division accounts for £1.6m, and relocation of a major Potterton factory is estimated to cost £0.3m.

A similar total provision is expected to be required in the current year which should substantially complete the rationalisation part of the development programme.

Explaining the reverse in the wrought and engineering division the chairman says the irrigation products group had its worst ever year due to a very wet spring and summer. Market demand was drastically reduced, prices depressed and stocks generally high, all partly influenced by the early end of the 1977 season.

The performance of the foundries division reflects the increasing difficulties in the UK's motor industry. The ferrous products group showed a sharp downturn in demand largely due to a fall in world tractor sales.

	1977-78	1976-77
	£000	£000
Turnover	204,249	194,871
Trading profit	9,453	12,996
Net int'est payable	999	1,174
Profit after interest	8,454	11,822
Rationalisatn. costs	2,962	945
Share assocs. loss	725	332
Profit before tax	4,767	10,545
Taxation	2,554	1,275
Net profit	2,213	9,270
Minority loss	97	*228
Extraord. item	—	486
Attributable	2,310	9,528
Dividends	3,280	2,938
From reserves	970	†6,590

* Profit. † To reserves.

See Lex

HIGHLIGHTS

The Price Commission has used its new powers to stop beer and petrol price increases. Lex considers this development in the light of the Governor of the Bank of England's warning last night of the threat to company profits. Lex also considers the profits setback at Birmid Qualcast where the dividend is now uncovered. The change in sentiment in the London money market is commented upon as are the reasons for Wilmot Breedon's share suspension. Elsewhere, the latest figures from Securicor indicate a slowdown in its profit growth, and John James's profits also seems to becoming off the boil. At Glass and Metal profits have been hit by a series of unrelated problems.

Securicor rises £0.9m to best ever £5.42m

WITH SECOND half profits of £3m against £2.54m, Securicor Group finished the September 29, 1978 year ahead from £4.52m to a record £5.42m pre-tax, on turnover £20m higher at £121m.

Profits were split as to: £4.35m (£3.54m) from the security division, and £1.07m (£0.93m) from the finance activity.

The directors say that despite increasing pressure on operating costs, the group was able to continue throughout the year the 23 per cent growth rate achieved by its security division during the first six months.

Stated yearly earnings rose from 14.7p to 17.5p per 25p share. A final dividend of 1.7378p net, on capital increased by last June's rights issue, makes the total payment 2.5378p (1.2533p) as forecast, except that the final has been raised to reflect reduction in ACT.

	1977-78	1976-77
	£000	£000
Turnover	121,080	100,828
Profit before tax	5,416	4,520
Security	4,350	3,541
Finance	1,066	979
Tax	1,618	1,275
UK	1,158	681
Overseas	460	594
Profit after tax	3,798	3,245
Minorities	1,634	1,424
Extraord. credits	187	†120
Retained	1,996	1,619

† Debits.

Mr. Peter Smith, chairman, warns that there could be some pressure on UK profit growth in the short term. But given a return to a more stable economic climate, he remains confident that the spread of the group's operations and favourable trends overseas justifies the expectation of continued growth in the years ahead.

Pre-tax profits of its 52 per cent owned subsidiary Security Services increased from £3.9m to £4.75m for the 1977-78 year, with £2.15m against £1.75m coming in the first half. Turnover rose £18.89m to £115.84m.

Earnings per 25p share were up from 18.1p to 19.5p and the net dividend total is lifted to 3.553p (1.9687p) on increased capital, with a final of 2.303p, raised above the forecast level to reflect ACT reduction.

Tax for the period takes £1.34m (£0.93m) and there were extraordinary credits of £0.23m (£38,000 debits).

Ashley Ashwood

Mr. Peter Smith, chairman of Securicor Group.

• comment

Securicor Group's pre-tax profits are a fifth higher which compares with an increase of a third the year before. And it is clear that the group is now depending fairly heavily on the non-traditional parcel business for much of its future growth. The bulk of the business is still lumped together under the heading of the "security division." A quarter of this is accounted for by Securicor guards etc. and another 30 per cent is the cash in transit, operation, both of which produced only "moderate" profits growth last year. Fortunately, the overseas is performing strongly — profitsare doubled — and the parcel business is growing at 35 per cent per annum. Securicor seems to have carved out a special niche for itself in this market and is investinf fairly heavily. Given that its major competitors are the nationalised Post Ojce and British Road Services, there could be some rich pickings. At 138p Securicor shares yield 2.7 per cent while Security Services yield 3.8 per cent.

Disputes hit Glass & Metal

TAXABLE PROFITS of Glass and Metal Holdings fell from £1,052,009 to £913,804 in the year to October 31, 1978, on increased turnover of £6.65m (£5.93m).

The directors say that, the group's profitability was adversely affected by a four-week local industrial dispute; a fire which disrupted production for three weeks and the industrial dispute at Ford Motors during the last quarter which substantially eroded the turnover of the engineering subsidiaries.

Had it not been for these factors, the directors believe profits would have exceeded those for the previous 12 months. They add that the current year has started satisfactorily.

After tax of £288,191 (£480,888), earnings per 10p share are shown to have risen from 14.2p to 15.6p in 1977-78. The net dividend is lifted from 3.025p to 3.378p.

At half-way, pre-tax profits were £474,121 (£428,382) on turnover of £3.34m (£2.99m). The directors said then that the results were adversely affected by industrial disputes.

• comment

Almost everything went wrong for Glass and Metal during 1977-1978. On top of a four-week local dispute and the Ford strike, there was a fire at one of the company's factories. All this probably cost in excess of £0.25m. In addition, production was affected by a malfunction in the new Splintex machinery while stocks of glass had to be replaced because they were delivered in imperfect condition. At the same time margins were squeezed by severe competition, especially in the glass division, and conditions in the furniture trade (which takes around a half of the company's production) were not particularly buoyant. All this combined to give a profits downturn for the year of 13 per cent and the shares closed 5p lower at 94p. At this stage of the year prospects are uncertain but furniture deliveries have improved somewhat. The shares are on a p/e of 5.8 while the yield, on a maximum payout, is 5.8 per cent.

Second-half fall to £6m hits Albright & Wilson

A SLUMP of almost £10m in pre-tax profits, which fell from £35.4m to £25.15m, is reported by Albright and Wilson for the year to December 25, 1978, on sales of £342.06m (£338.01m). The company is a wholly-owned subsidiary of Tenneco Inc, of Houston, Texas.

The directors say the fall was entirely in the second half—pre-tax profits of £6.34m against £19.26m—when results were depressed by three factors in particular: industrial troubles, movements in exchange rates, and higher fixed costs.

Last December there was a strike at the company's largest factory, at Whitehaven, which resulted in its closure until after the end of the year. Earlier there were industrial troubles at other UK factories, which were costly although not on the scale of the Whitehaven strike.

The strengthening of sterling, particularly against the Canadian dollar, in the second half, reduced the sterling value of group profits in a number of ways, the directors continue.

Very good results were reported by the company's Canadian subsidiaries, the directors add, partly because they were assisted by the weakness of the Canadian dollar, but also because of a strong and increasing demand for sodium chlorate from the pulp and paper industry.

In the UK the fertiliser business achieved a reasonable profit after breaking even in 1977. Profits from other UK activities were reduced.

Capital expenditure in 1978, say the directors, was at the highest level yet achieved, totalling £44m against £24.5m. There was substantial expenditure on major plants, the benefits from which will not be felt until 1979 and beyond.

Pre-tax profits in the period under review were struck after interest of £1.89m (£0.72m). After tax of £2.05m (£6.88m) and minorities £0.52m (£0.88m), attributable profits are £22.58m (£27.64m).

Extraordinary charges amount to £3.64m (£2.74m), and are mainly decreases in sterling values of overseas fixed assets less long-term liabilities.

SSAP 15 has been applied and comparisons adjusted. The provision for deferred tax of £24.74m has been credited to reserves.

Profit margins continuously under pressure at J. James

TURNOVER of John James Group of Companies rose by 20.3 per cent from £10.98m to £13.21m for the half year ended September 30 1978 but taxable profits were only just ahead to £1.11m, against a previous £1m. Bank interest charges rose materially, the directors state, and profit margins have been continuously under pressure.

They find it difficult to comment on the group's full year's results in light of the current national economic situation, which has affected each of the subsidiaries—last year's pre-tax profit was a record £3.36m.

Franked investment income is anticipated to rise from £1.17m to some £1.25m for the full year.

Earnings are shown as 2.2p per 25p share compared with 2.09p and the interim dividend is increased from 1.155p to 1.3p net—last year's final payment was 1.591p.

	Half-year 1978	1977
	£000	£000
Turnover	13,213	10,981
Profit before tax	1,106	1,010
Taxation	467	411
Net profit	639	599
Minority interests	9	9
Attributable	630	590
Interim dividend	343	297

• comment

John James Group's rather enviable growth record in recent years is in danger. The interim profit is only 9.5 per cent ahead of last year despite a 20.3 per cent jump in group turnover. A rise in bank interest rates is the official reason for the squeeze on margins. Unhappily for the final result, bank interest rates are continuing to rise in the second half and its industrial subsidiaries have been affected by the recent labour unrest. On the investment side, growth in franked investment income is also slowing down. Last year income was up 15.6 per cent to £1.17m but the figure for 1978/79 is likely to be only 7 per cent ahead at £1.25m. With roughly six weeks of its financial year remaining the company is non-committal about the likely full year result. The promised increased final dividend is not an indicator of the likely profit trend as the group traditionally pays its dividends from the franked investment pool. The shares closed at 52p yesterday giving a prospective yield of 8.9 per cent.

REPORTS TO MEETINGS

Westland chief under fire

INDUSTRIAL relations at Westland, the troubled West Country helicopter group, came under fire at yesterday's annual meeting.

Mr. Paddy Ashdown, a shareholder and former Westland employee, claimed that problems inside the company were, "like those which you find at British Leyland" and added that divisions between management and the workforce were, "damaging and destructive."

Mr. Ashdown wanted to know whether the company planned to introduce any fundamental changes to the group's industrial relations.

Later in the meeting another shareholder asked the directors if there was any possibility of bringing in a workers' share bonus scheme like the one at ICI.

In his earlier statement Lord Aldington, Westland chairman, said the company was still looking," for further improvement in industrial relations in some places."

Replying to the subsequent questions he argued that difficulties at the company's Yeovil factory were not peculiar to Westland.

The problems, he added, although not yet resolved, were currently being sorted out while management had spent a great deal of time with shop stewards trying to improve mutual understanding.

"I would much rather it was done this way than by someone from outside imposing some new system. In any case I don't think that at our factories you would notice the type of spirit which has been implied."

Lord Aldington added, however, that the workforce had to appreciate that if they were to enjoy higher wages, higher output and higher efficiency would be necessary.

On the question of a share bonus scheme, he said, "Before we think about distributing profits we ought to make them."

Lord Aldington had earlier reported that Westland had made a good start in the first quarter of the current year. Weather and other distractions, however, had reduced activity somewhat in January. Apart from this, activity throughout the group continued to be generally satisfactory.

Concern was also expressed about the interim dividend which was passed last year but Lord Aldington would not be drawn: "We will make up our minds when we see the results for the half-year," he said. "Anything could happen but it is most unlikely that we will pass it if we carry on as we are now."

The following are extracts from chairman's remarks to other AGMs yesterday.

Redfearn National Glass—Mr. John Pratt said that although results for the first three months of the current year were encouraging, the recent road haulage strike had seriously disrupted production and sales, which would inevitably have a substantial effect on results for the first half.

The full effects of the strike—estimated loss of sales were in the order of £3m—could not yet be quantified, but the planned profit for the first six months could not now be achieved, and a break-even situation would be the outcome. The directors, however, planned to pay an interim dividend equivalent to that of last year.

CompAir—Sir William Mather said that the cumulative impact on the operations of subsidiary CompAir Construction and Mining in the early part of the current year was sufficient to indicate that group profits overall at the interim stage would be lower than the previous year—pre-tax profits then were £5.72m.

CompAir Construction was effected by the retentions in the Middle East, he said, notably the standstill in business in Iran.

Most group companies made an encouraging start to the year. Demand for industrial equipment was generally good, the chairman stated, and directors were expecting to derive benefit from the improving industrial climate in France.

The group's two American companies were making progress

Martin the Newsagent—sales were up by 15 per cent to £30.84m for the first 18 weeks of the current year, said Mr. J. B. H. Martin.

But for industrial disputes he estimated that an additional £600,000 retail sales would have been achieved during the period.

H. J. Baldwin jumps to £185,237

TAXABLE profits of H. J. Baldwin and Co. jumped from £58,592 to £185,237 in the half year to October 31, 1978.

The company is paying a 2.45p preference dividend for the half year to March 31, 1979, and three years arrears early in April. This will leave 6½ years arrears outstanding.

The directors say the second half began well, but bad weather and the results of the general industrial unrest are affecting overall performance. However, the Board is confident of a satisfactory outcome for the year. The profit total last year was £177,000.

Turnover for the period under review was ahead from £858,937 to £1.32m. Tax takes £95,250 (£27,430).

Stated earnings per 10p share are up from 0.75p to 2.43p after deducting the preference dividend for the periods specified and ignoring preference arrears.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Anglo-African	0.75	—	—	0.75	1.15‡
Anglo American	2.3	Apr. 3	2	3.3	3
Birmid Qualcast	3.48	—	3.11	4.98	4.46
Conzine Riotinto§	6.5	May 3	5.5	10	10
General Consd.	2.95	Apr. 9	2.65	4.25	3.75
Glass & Metal	3.38	Apr. 2	3.03	3.38	3.03
J. James ...int.	1.3	Mar. 31	1.16	—	2.75
Minerals and Resources ...int.	(91)¶c	March 30	4	—	12
Moorside Trust	3.73	Mar. 30	3.5	5.25	4.75
Securicor	1.74†	—	0.96	2.54	1.25
Security Services	2.3†	—	1.32	3.55	1.99
Throg. Sec. Tst. ...int.	0.61	Apr. 3	0.61	—	2
Wintrust ...2nd int.	1.05	Apr. 2	—	—	3.66

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 18 months. § Australian cents throughout.
§ Australian cents throughout. ¶ South African Currency.

THE THROGMORTON SECURED GROWTH TRUST LIMITED

INTERIM REVENUE STATEMENT

The Board of Directors announce the following unaudited interim revenue figures of the Company for the six months ended on 31st January, 1979.

	Six Months Ended 31.1.79	Six Months Ended 31.1.78	Year Ended 31.7.78
	£	£	£
GROSS REVENUE	360,145	331,273	717,324
Less: Interest Charges	158,747	183,533	343,378
Administration	17,045	13,778	30,689
	184,353	133,962	343,954
Less: Taxation	71,849	48,439	131,204
EARNINGS FOR THE PERIOD	112,504	85,523	212,750
Revenue reserves brought forward	15,184	2,434	2,434
NET REVENUE attributable to ordinary shareholders	£127,688	£87,957	£215,184
DIVIDENDS:			
Interim 0.6125p (1978—0.6125p)	61,250	61,250	61,250
Final — (1978—1.3875p)	—	—	138,750
COST OF DIVIDENDS	£61,250	£61,250	£200,000
Unappropriated revenue carried forward	£66,438	£26,707	£15,184
Earnings per share	1.12p	0.86p	2.13p
NET ASSET VALUE	162.7p	173.3p	173.7p

At a meeting of the Board of Directors held today it was resolved that an interim dividend of 0.6125p per share (1978—0.6125p) be paid on 3rd April, 1979, in respect of the year to 31st July, 1979, to shareholders on the register at 9th March, 1979.

14th February, 1979.

BIDS and DEALS

Rockwell warming up for full takeover

Rockwell International and Wilmot Breeden are to go on talking but now the end in view is a recommended outright bid by Rockwell.

Yesterday morning Wilmot's shares were suspended at 81½p pending an announcement to shareholders. But when it came there was still no definite conclusion to the talks which have been going on since early December. Later the listing was restored.

Then the talks were described as covering areas of mutual interest and could have taken in anything from joint ventures to a takeover. Now the talks will focus on an outright bid but, according to Rockwell's advisers, S. G. Warburg and Lazard Brothers, "there could be a fall-back position."

Meanwhile, a bid at the suspension price would cost Rockwell £16.9m for historic pre-tax profits of £5.7m. Since then, however, interim profits have dropped by £1m to £1.8m. Wilmot's directors control around 8 per cent of the equity, with Andrew Weir, the private shipping group, holding just under that amount.

See Lex

CALEDONIAN SUSPENDED

Dealings in shares of **Caledonian Holdings** were suspended at the company's request yesterday—just two weeks after it first came to the market.

At least two companies are known to be interested in buying Caledonian. London and Midland Industrials, which put in its bid just 24 hours after the public flotation, has offered £8.4m, while Comet Radiovision Services has announced its intention to make a bid worth £11m.

LMI holds just under 30 per cent of Caledonian, and Comet around 22 per cent. The suspension price is 110p—equal to the offer from Comet.

Mr. Rose sells Crellon interest

Mr. Geoffrey Rose, who has taken up the reins at three British public companies in recent years, has sold out of one of them—**Crellon Holdings**.

Mr. Rose, together with Nytronics Inc., bought his stake in Crellon in the spring of last year. He said yesterday that he is selling because of the pressure of work at another of his companies, Audiotronic Holdings. He had expected Audiotronic to present only financial problems, he said, but it had required a lot of management time as well, especially since several executives had departed.

Nytronics and Mr. Rose have sold 2m and 500,000 12 per cent convertible preferred shares respectively. The shares were acquired at 10p each and sold at 15p each, said Mr. Rose. His profit was only £20,000 before tax and expenses. "I will probably end up with a fiver," he added.

The buyer of the shares was Anthony Gibbs Investment Management on behalf of itself and investment clients. Mr. Joseph Eiger and Sbay Limited are interested in these shares and Mr. Eiger has joined the board of Crellon as chairman.

Mr. Eiger was one of the original members of the Crellon rescue plan last year although subsequently he sold some shares. He has "substantial experience in electronics," said Mr. Rose yesterday.

Mr. Rose, along with Mr. Sullivan and Mr. Kropf, have left the Crellon board. The non-executive directors were remaining, said Mr. Rose.

His decision to stay with Audiotronics rather than Crellon, both of which were making heavy demands on his time, was due to his love of hi-fi retailing, he said.

BEREC

The £3.4m bid **Berec** is making for the minority holdings in its South African subsidiary is to be made through Berec's Dutch subsidiary Berec Holdings BV.

Yesterday Berec said that it felt there were good prospects for continued progress in South Africa.

Moss looking for substantial recovery—rejects GEI

The £3.68m bid for **Moss Engineering Group** from **GEI International** is both opportunistic and inadequate, according to Mr. Ernest Cars, chairman and managing director of Moss.

In a detailed defence document, Mr. Cars says that GEI's offer of nine of its own shares for every 10 Moss (worth 78.75p per share) does not take into account the company's current trading and future prospects.

Forecasting a "very substantial recovery from last year's position," Mr. Cars says that the directors intend to pay dividends totalling 8.5p gross for the year ending August 31, 1979—an increase of 22.7 per cent.

Mr. Cars says the forecast of a profits recovery was based on the group's current order book, which shows a 30 per cent improvement at £6.6m. In the sewage and effluent division orders were around 35 per cent higher.

An important element in the recovery, he said, was the signing recently of two trading agreements—one with a Belgian company to manufacture screw pumps and the other with an Italian company for selling and distribution rights to its surface aerators and mechanical mixing equipment, with a manufacturing option for mixing equipment.

He estimated that these agreements could be worth around £1m in the current year.

Over the past two years profits of Moss have dropped from just under £1m to £0.5m, mainly due to the cutback by UK local authorities on sewage and effluent equipment, and the costs incurred in building up exports.

On the basis of the new dividend level, and assuming GEI increases its dividend by 10 per cent in the current year, Moss shareholders would suffer a 26.7 per cent reduction in income if they accepted the offer, Mr. Cars claims.

Describing the offer as "sudden, unsolicited and unwelcome," Mr. Cars says that apart from certain processes used in most engineering companies, GEI has little in common with Moss. The directors intend to reject the offer in respect of their own holdings, which amount to 1.6 per cent of the equity.

According to GEI, Moss's business would be a logical expansion for it, particularly in the fields or gear work, pressings, pumps and general engineering work.

Moss's largest shareholders are Britannic Assurance with 10.9 per cent and M and G Group with almost 6 per cent.

Shares of Moss were last night standing 4p above the offer price at 83p, valuing the company at £3.82m.

EDWARDS HOLDERS WARNED ON GULLIVER OFFER

Shareholders in **Louis C. Edwards and Sons (Manchester)** have been advised by the controlling Edwards family that acceptance of the 5p per share offer from Gulliver Foods "is unlikely to be in their interests."

The offer closes on March 7 and compares with a closing price yesterday of 38p, down 2p.

Headed by Mr. James Gulliver, the former chairman of the Fine Fare supermarket chain, Gulliver Foods recently acquired 20 per cent of the Manchester meat group and controls the votes of a further 24 per cent of the equity. The purchase price was 5p per share and GF has options to buy a further 9.99 per cent from the Edwards family.

The family which still dominates the board of Manchester United Football Club sold 500,000 shares to GF at 5p as part of the earlier package. They have retained 65.6 per cent of the shares but have ceded votes pertaining to 2.4m shares (24 per cent) of the enlarged capital.

Mr. Gulliver stressed yesterday that he has not held talks with Amalgamated Distilled Products contrary to rumours that he intended to buy a substantial share stake and seek a place on the board.

Offer talks at Brigray called off

Two-month-old offer talks of **Brigray Group** have been called off. Discussions with the unnamed suitor had "got pretty far," chairman Mr. T. G. Wyner said yesterday: "Although there was a great deal of commercial logic in the proposed deal, we could not find a compromise," he added.

Shares in the supplier of knitted jersey fabric to Marks and Spencer have been suspended at 6½p since mid-December, but a requotation will be requested when a circular is issued to shareholders in about ten days time.

The circular will contain details of the sale of an important West End freehold for £750,000 last October, and a pro forma balance sheet underlining the "radical change" in the group's fortunes resulting from the disposal.

The chairman revealed that the proposed offer had "stirred up a lot of interest in the company, and a lot of people have come to talk to me about a variety of things."

Lindsay & Williams in talks

The Manchester-based manufacturer of electric cable materials **Lindsay and Williams** has received a bid approach from RFD. On the Stock Exchange Lindsay and Williams shares soared 29p to 93p on the announcement, which placed a value of about £970,000 of the group.

However, at the close of trading the shares had eased to 92p.

RFD manufactures marine and aircraft inflatable equipment and aircraft recovery systems, and other military software products. It owns 24.4 per cent of the Lindsay and Williams equity, having bought a 28.8 per cent stake in October, 1975, declaring then that the purchase would give the group the opportunity to diversify.

In its last balance-sheet for the year 1977 Lindsay and Williams showed net assets of 50.8p per share.

Lindsay and Williams reported pre-tax profits of £196,000 for the same period on turnover of £2.78m. This compared with taxable profits of £47,683 and turnover of £2.27m in the previous year.

In its last financial year ended March 31, 1978, RFD reported pre-tax profits improved by 9 per cent to £3.45m, on turnover of £18.75m.

GUTHRIE AND SIME DARBY

Guthrie Corporation has accused **Sime Darby**, the international conglomerate which has made a £122m bid for the group, of issuing Guthrie shareholders with "inaccurate and misleading" information.

Sime questioned the revaluation of Guthrie's plantation interests. Guthrie has retorted that the valuers, C. H. Williams, also revalued the principal plantation companies of Sime Darby.

Sime claimed that the recent offer for sale of 10m ordinary shares in Guthrie's partly-owned subsidiary, Guthrie Ropel Berhad at M$1.60 per share is a guide to the open market value of the Corporation's estates.

Guthrie insists that this is not the case.

"As is usual in a market operation of this size, the shares were offered at a discount to the market price," says Guthrie.

Guthrie also points out that in Sime's calculation of Guthrie's earnings per share, Sime has deducted extraordinary items contrary "both to the relevant statement of standard accounting practice and to the basis on which Sime calculates its own earnings per share. Sime has also deducted, in arriving at Guthrie's earnings, the restatement exchange difference, an inherently volatile item which distorts year-to-year comparisons of profitability".

RHODESIAN CABLES LIMITED

(Registered in Rhodesia)

NOTICE TO SHAREHOLDERS
INTERIM REPORT—YEAR ENDING
30th JUNE, 1979

FINANCIAL RESULTS

The unaudited profits for the half year ended 31st December, 1978, compared with the half year ended 31st December, 1977, and the year ended 30th June, 1978, were as follows:—

	Half-year ended 31.12.78 Rhodesian Dollars	Half-year ended 31.12.77 Rhodesian Dollars	Year ended 30.6.78 Rhodesian Dollars
Profit before taxation	803,400	749,100	1,518,500
Provision for taxation	304,600	306,000	580,700
Net Profit	498,800	443,100	937,800

BUSINESS

The increase in pre-tax profit of Rhodesian Dollars 54,300 over that for the same period of last year reflects the continuation of the improved level of activity in the Copper Department experienced during the year ended 30th June, 1978.

Providing the political situation in the country does not deteriorate, the level of profitability during the second half of the financial year should be comparable with the figures for the first six months of the year.

EARNINGS

	Half-year ended 31.12.78 Rhodesian Dollars	Half-year ended 31.12.77 Rhodesian Dollars	Year ended 30.6.78 Rhodesian Dollars
Earnings per share	17c	15c	31c

DIRECTORATE

The following appointments were approved on 10th November, 1978.

Mr. J. M. Magowan was appointed Deputy Chairman and Mr. B. W. S. O'Connell was appointed a Director.

Directors: Sir Henry McDowell, K.B.E.
K. Taylor.

DECLARATION OF INTERIM DIVIDEND

Notice is hereby given that an interim dividend, number 29, at the rate of 8 cents (1977—6 cents) per Ordinary share has been declared by the Directors payable in the currency of Rhodesia to shareholders registered in the books of the Company at the close of business on Friday, 30th March, 1979. Dividend warrants will be posted on or about 4th May, 1979. The transfer books and Register of Members will be closed from 31st March, 1979, to 14th April, 1979, both dates inclusive.

By Order of the Board,
O. Aamodt,
Secretary.

Lytton Road,
Workington,
Salisbury.
7th February, 1979.

Directors: Sir Henry McLorinan McDowell, K.B.E. (Chairman)
J. M. Magowan, I.C.D., O.B.E., C.Eng., F.I.E.E., F.S.A.I.E.E., F.I.(Rhod.)E. (Deputy Chairman)
D. H. Cummings, I.C.D., O.B.E., F.C.I.S.
D. G. Sutherland, B.Sc., C.Eng., F.I.E.E., F.S.A.I.E.E., M.I.C.E.
B. W. S. O'Connell, F.C.A., C.A.(S.A.), C.A.(R.)
K. Taylor, C.Eng., F.I.E.E., F.I.(Rhod.)E., F.I.D.

Share Transfer Secretaries:

Johannesburg:
Hill Samuel Registrars (S.A.) Limited,
The Corner House,
63 Fox Street,
Johannesburg.

London:
Hill Samuel Registrars Limited,
6 Greencoat Place,
London, SW1P 1PL.

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED

(Incorporated in the Republic of South Africa)

INTERIM REPORT FOR THE SIX MONTHS ENDED
31st DECEMBER, 1978

The following are the unaudited financial results of the Company and its subsidiaries:

	6 months ended 31st Dec. 1978 RM's	6 months ended 31st Dec. 1977 RM's	Year ended 30th June 1978 RM's
Income from investments	14.2	10.2	26.5
Net sundry revenue	2.1	2.2	4.1
Attributable trading profits of operating subsidiaries after deducting R12.4m (1977—R9.5m and June 1978—R21.8m) being depreciation, management fees, interest, taxation and minority share of profits	4.4	3.8	8.4
	20.7	16.0	39.0
Surplus on realisation of investments	3.5	4.9	14.6
	24.2	20.9	53.6
Deduct:	2.5	4.6	8.2
Exploration expenditure less recoupments	1.4	1.5	3.8
Net interest paid	0.2	2.2	2.5
Depreciation	0.3	0.3	0.7
Provision for loss on re-alignment of currencies	0.6	0.6	1.2
Profit before taxation	21.7	16.3	45.4
Deduct: Taxation	0.1	0.1	0.6
Profit after taxation	21.6	16.2	44.8
Deduct: Dividends	5.8	3.2	14.7
Preference dividends	2.2	0.4	2.6
Ordinary dividends	3.6	2.8	12.1
	15.8	13.0	30.1
Deduct: Extraordinary item—provision against losses in Otjihase Mining Company (Proprietary) Limited	—	—	44.4
Retained profit	15.8	13.0	(14.3)
Net asset value per share (based on market valuation and directors' valuations in respect of unquoted investments)	R60	R45	R49
Number of ordinary shares in issue	7,105,600	7,105,600	7,105,600

NOTES:

(1) An interim dividend of 50 cents per share (1978—40 cents) was declared on 19th December and is payable on 19th February.

(2) R2.6m of the surplus on realisation of investments for the current period relates to the sale by a subsidiary company of a portion of its timber interests in the Eastern Transvaal.

(3) No provision for potential losses on future realisations of investments or loans is included in the interim income statement. Any such provisions as may be necessary are made at the end of the financial year in the light of circumstances then existing.

(4) As a consequence of the weak nickel market the Shangani Mining Corporation Limited has continued to encounter difficulties. As announced on 30th August, 1978, Johnnies has agreed to subscribe equally with Anglo American Corporation Rhodesia Limited for 10 million 50 cents shares at par in order to assist the company in the next phase of its development.

(5) The results for the past six months will not necessarily be repeated in the remaining six months of the year for the reasons that:—

(a) Income from investments does not accrue evenly throughout the year.

(b) The realisation of investments fluctuates in accordance with policy decisions and market conditions.

On behalf of the Board,
Albert Robinson
F. J. L. Wells
Directors

Head Office and Registered Office:
Consolidated Building,
Corner Fox and Harrison Streets,
Johannesburg, 2001.
(P.O. Box 590, Johannesburg, 2000)

14th February, 1979.

SIEMENS

Information for Siemens shareholders

German electrical market revives

From October 1 to December 31, the first quarter of the Siemens current financial year, there was continued improvement in orders received from the German domestic market. New orders totalled £ 1,910 m for this period, exactly matching last year's first-quarter figure. While German orders increased slightly, attaining £ 893 m as compared with £ 864 m a year ago, new orders in international business lagged somewhat behind last year's comparable figure, reaching £ 1,017m as against £ 1,050 m. Excluding orders received by Kraftwerk Union AG (KWU), *Siemens recorded 3% more new orders worldwide, 8% more* German orders, and 2% fewer international orders.

In £ m	1/10/77 to 31/12/77	1/10/78 to 31/12/78	Change Siemens	Change excl. KWU
Orders received	1,914	1,910	−2%	+3%
Domestic business	864	893	+3%	+8%
International business	1,050	1,017	−5%	−2%
Sales	1,678	1,678	0%	0%
Domestic business	806	785	−4%	−2%
International business	872	893	+3%	+2%

In £ m	30/9/78	31/12/78	Change Siemens	Change excl. KWU
Orders in hand	11,816	12,071	+2%	+6%
Inventory	3,239	3,485	+8%	+3%

The Data and Information Systems Group received one third more orders than a year ago. New orders received by the Components Group and the Power Engineering Group were likewise well above average.

As a year ago, worldwide sales during the first quarter of the financial year totalled £ 1,678 m. At £ 785 m German domestic sales remained somewhat below the £ 806 m achieved last year, while international sales showed a small increase from £ 872 m to £ 893 m.

Orders in hand at the end of the first quarter amounted to £ 12,071 m (last year £ 11,816 m), somewhat higher than at the close of the preceding financial year on September 30, 1978. Inventory was valued at £ 3,485 m as compared with £ 3,239 m on September 30, 1978.

In thousands	30/9/78	31/12/78	Change
Employees	322	324	+1%
Domestic operations	223	223	0%
International operations	99	101	+2%

New employees joined the Siemens work force both in Germany and abroad. On December 31 the number of Siemens employees worldwide was 324,000 as compared with 322,000 on September 30, 1978. Of this total, 223,000 were employed in Germany. *Outside Germany, Siemens employees increased from* 99,000 to 101,000. Employment costs for the first quarter were £ 811 m as against £ 760 m for the preceding year.

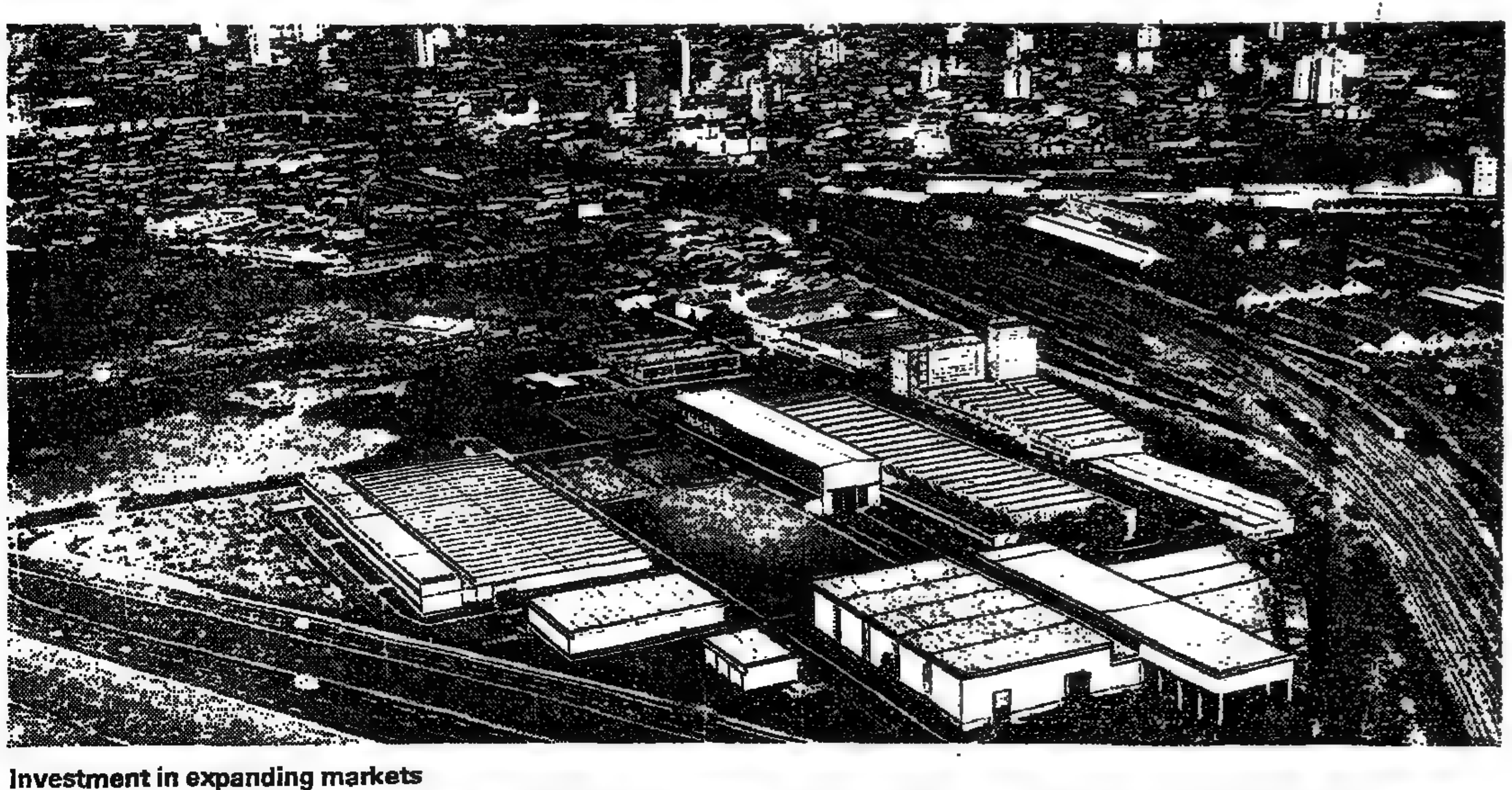
In £ m	1/10/77 to 31/12/77	1/10/78 to 31/12/78	Change
Employment costs	760	811	+8%
Capital expenditure and investment	61	58	−4%
Net income after taxes	39	39	
in % of sales	2.3	2.3	

Capital expenditure and investment amounted to £ 58 m, closely approaching last year's outlay of £ 61 m. This slight reduction was the result of a cutback in investment. Capital goods outlay, on the other hand, exceeded that of the first quarter of last year by £ 7 m.

Despite increased costs, net income after taxes was £ 39 m as against £ 39 m a year ago. As last year, this represents 2.3% of sales.

In January 1979, Siemens offered its shareholders new shares at a 1-for-20 ratio and at DM 100 per DM 50 par value, thereby increasing the capital stock by £ 24 m to a total of £ 466 m. The new shares are fully eligible for dividend for the current financial year.

All amounts translated at Frankfurt middle rate on December 29, 1978: £ 1 = DM 3.713.



Investment in expanding markets
Fast-growing overseas markets increasingly demand local manufacturing as a precondition for major orders, which in turn accelerate import shipments from Germany. A prime example of this is Brazil, where Siemens sales have doubled over the last four years. Our factory in Lapa, Sao Paulo (picture) is currently being expanded to become one of the largest Siemens manufacturing facilities outside Germany. At present 2,200 workers are employed here in the production of hydroelectric generators, switchgear, current and voltage transformers, and motors.

Siemens AG In Great Britain: Siemens Ltd.

Southern TV keeps up momentum—£1m profit rise

AFTER THE Exchequer levy of £7.07m against £5.25m, pre-tax profits of Southern Television were ahead by virtually £1m from £3.55m to £4.54m for the year ended October 27 1978. Turnover was up by nearly £6m to £29.06m.

Mr. C. D. Wilson, the chairman, tells members in his annual statement that the momentum both in the expansion of the group's programme production and in advertising revenue—up by 24 per cent—has been maintained.

During the year the directors decided to take further steps in continuing the developments in programme budget increases and improvements in technical facilities, with a £600,000 increase in programme budgets together with heavy capital expenditure for the provision of technical equipment and buildings.

Mr. Wilson says the White Paper on broadcasting, while clarifying the Government's views on a number of important issues, "leaves many vital matters unresolved," and he finds it more than usually difficult to talk with any degree of certainty about the futhre.

Along with the other programme companies Southern has to await the IBA's decisions before it is able to complete its own long-term plans of such matters as staffing, capital expenditure and programme developments, the chairman says.

He adds, however, "our confidence in the future is such that we are increasing our staff, buildings and technical facilities at both Southampton and Dover."

Net profit for the year emerged at £2.19m (£1.78m) after tax of £2.64m (£2.06m) and interim dividends absorb £1.7m (£1.4m). The amount retained is £491,452 compared with £382,519.

Mr. Wilson adds that there was a further growth in sales of programmes overseas; sales totalling £450,000 were made in 29 countries during 1977-78.

Balance sheet shows fixed assets at £5.04m (£4.54m) and net current assets at £2.71m, against £2.15m.

Wintrust surges to £579,995

PRE-TAX PROFITS of Wintrust, banker, jumped from £261,045 to £579,995 in the six months to September 30, 1978.

The directors say the trend towards higher profitability is continuing, and profits for the year will prove to be equally satisfactory. In the last 12-month period, pre-tax profits were £573,460.

There is a second net interim dividend of 1.0548p per 20p share, following an interim of 0.1p paid last December. Last year's payment totalled 3.0603p. A one-for-five scrip issue is also proposed.

The directors say that, had it not been for Government constraints, a substantial increase in the dividend would have been made.

Net profit is £282,840 (£172,067) after tax of £297,155 (£138,978).

United Glass tops £15m

REFLECTING HIGHER sales volume taxable earnings of United Glass climbed from £6.96m to £9.04m in the second six months of 1977-78. The manufacturer of glass and plastic containers, which is jointly owned by Distillers Company, of the UK and Owens-Illinois, finished the year to December 2 with profit £3.53m ahead to a best ever £15.05m.

Overall sales were up from £125.56m to £149.65m with glass containers producing a £16.02m rise to £103.09m and other products £8.1m better at £46.59m. Output and sales in the second half last time were adversely affected by industrial action.

For 1977-78 profit, before interest of £1.03m (£0.9m), amounted to £16.08m (£12.42m) with the surplus on glass containers rising from 10.48m to 12.25m and on other products from 1.94m to 3.83m.

There was a 0.35m tax charge this time leaving a retained net balance of 11.7m (11.52m) which has been added to reserves.

OIL and GAS NEWS

First offshore Vietnam well

A CONSORTIUM of Canadian oil companies has begun drilling the first exploratory well off Vietnam in the South China Sea.

The consortium consists of Bow Valley Industries, the operator with a 30 per cent interest in the venture, Siebens Oil and Gas and Westburne Petroleum and Minerals, each with 30 per cent and Sceptre Resources, with the remaining 10 per cent

The well is being drilled in about 150 feet of water by the semi-submersible rig "Dan Queen" to a depth of about 5,000 feet and is expected to be completed in about three weeks. A second well will be drilled on an adjacent block immediately following the initial well.

The drilling is being conducted from a shore base established by PetroVietnam, the Vietnamese State-owned oil company, in Vung Tau on the Vietnamese coast about 200 miles southeast of Ho Chi Minh City.

The exploration contract, which was signed by the consortium in September, is believed to be the first to be awarded to a North American group although some European companies have gained drilling rights offshore Vietnam.

* * *

Union Oil of California says that an exploratory well in the Netherlands sector of the North Sea tested oil at a rate of 1,032 barrels a day.

The well, *Q/1-3*, is located 23 miles offshore and is approximately 50 miles north-west of Amsterdam. The block is 80 per cent owned by Union Oil of the Netherlands, a unit of Union Oil, and the remaining 20 per cent is held by the Royal Nedlloyd Group N.V. Further drilling on this and adjacent structures will commence in March.

* * *

Trinidad Tesoro Petroleum has discovered new deposits of oil and gas off the east coast of Trinidad.

The company said in a statement that the well, East Galeota No. 3, was a multiple pay oil and gas find. Of six zones tested, four produced significant quantities of hydrocarbons, it said.

One well produced 1,772 barrels of oil a day at 4,818 ft and a second 500 barrels a day at 6,310 ft, while the other two successful zones produced gas at a depth of 4,668 to 4,682 ft at the rate of 12m cu ft per day.

The gas-oil ratio in the first two zones was 388 cu ft per barrel while the other two produced 40 barrels of condensate a day as well as gas.

Trinidad Tesoro already has three production platforms in place in the Galeota Field. The first has been in production since 1970 and the other two were installed in June last year.

The company said it had completed drilling for 16 of the planned 17 wells linked to the second platform and drilling of *10 wells on the third platform* will begin next month.

* * *

The **Petroleum Development (Oman)** says that it has made two new oil finds in the country's southern fields, one of which, according to preliminary tests, is expected to yield about 100,000 barrels a day. Tests are being conducted on the second well to determine output.

LONDON SHOP PROPERTY TRUST LIMITED

Notice is hereby given of the appointment of Lloyds Bank Limited as Registrar.

All documents for registration and correspondence should in future be sent to the address below.

G.W. GARRETT, F.C.I.S.

Lloyds Bank Limited,
Registrars Department,
Goring-by-Sea,
Worthing, West Sussex, BN12 6DA.
Telephone: Worthing 502541
(STD Code 0903)

NOTICE OF REDEMPTION

to the holders of Debentures payable in American Currency

of the issue designated

9% Sinking Fund Debentures due April 1, 1982

(herein called "Debentures") of the

CITY OF QUEBEC, CANADA

Public Notice is Hereby Given that the City of Quebec intends to and will redeem for SINKING FUND *PURPOSES* on *April 1, 1979*, pursuant to the provisions of the Debentures, the following Debentures as indicated, of the above-mentioned issue, at 100% of principal amount plus accrued interest to the redemption date, namely:

14	627	1252	1887	2515	3138	3763	4380	5006	5631	6257	6890	7519	8144	8751	9393
37	659	1278	1907	2539	3151	3781	4407	5025	5659	6279	6908	7544	8156	8777	9407
61	680	1302	1923	2564	3172	3813	4428	5054	5681	6310	6924	7556	8177	8820	9438
82	707	1321	1962	2578	3205	3846	4457	5082	5714	6326	6962	7573	8218	8842	9465
106	725	1358	1980	2602	3231	3857	4473	5108	5731	6351	6998	7611	8232	8869	9491
138	751	1390	2022	2627	3258	3890	4511	5127	5762	6383	7010	7630	8263	8893	9517
165	772	1407	2050	2659	3282	3901	4532	5162	5773	6409	7037	7671	8285	8904	9548
196	814	1432	2068	2674	3317	3928	4559	5194	5808	6424	7071	7696	8319	8917	9560
219	839	1465	2091	2707	3329	3977	4567	5212	5841	6458	7088	7708	8345	8958	9593
240	865	1489	2119	2731	3368	3989	4622	5228	5859	6474	7121	7747	8351	8990	9612
255	894	1525	2138	2759	3374	4008	4639	5268	5891	6503	7135	7762	[illegible]	[illegible]	9626
287	918	1546	2157	2780	3416	4036	4661	5279	5903	6526	7169	7775	8414	9050	9667
309	939	1552	2182	2821	3443	4062	4679	5310	5929	6567	7183	7809	8427	9056	9700
331	952	1586	2209	2835	3469	4081	4701	5329	5952	6581	7210	7838	8466	9082	9725
364	996	1604	2228	2861	3484	4107	4732	5366	5974	6623	7227	7852	8498	9105	9734
378	1010	1633	2251	2873	3512	4150	4763	5385	6020	6639	7253	7873	8519	9126	9779
403	1043	1659	2293	2902	3538	4159	4775	5407	6041	6668	7279	7911	8534	9164	9787
435	1068	1678	2318	2927	3562	4198	4804	5450	6072	6695	7311	7928	8553	9187	9808
461	1100	1712	2337	2969	3576	4209	4819	5472	6099	6709	7325	7963	8571	9213	9825
492	1115	1728	2359	2983	3614	4234	4857	5481	6105	6721	7369	7974	8632	9238	9856
507	1141	1754	2398	3006	3650	4262	4869	5505	6130	6756	7374	8009	8640	9260	9876
529	1160	1780	2412	3029	3665	4296	4910	5536	6159	6780	7408	8034	8658	9279	9928
562	1198	1806	2430	3070	3686	4312	4936	5558	6174	6813	7430	8071	8689	9321	9931
591	1207	1828	2455	3094	3702	4331	4966	5586	6213	6843	7464	8100	8702	9350	9958
604	1226	1864	2474	3117	3744	4366	4987	5609	6230	6867	7483	8117	8735	9389	9972

Debentures to be so redeemed, will become due and payable and will be paid in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts in said United States of America, at the office of the Paying Agent, Bank of Montreal Trust Company in the Borough of Manhattan, City and State of New York, United States of America or at any of the offices of the following Paying Agents: Bank of Montreal (Main Office) in the City of Quebec, Canada, Schroder Trust Company in New York, J. Henry Schroder Wagg & Co. Limited in London, England, Banque de Suez et de l'Union des Mines in Paris, France, Kredietbank N.V. in Brussels, Belgium, B. Metzler seel. Sohn & Co. in Frankfurt, Federal Republic of Germany and Kredietbank S. A. Luxembourgeoise in Luxembourg, Grand Duchy of Luxembourg, upon presentation and surrender of Debentures bearing the above numbers with all coupons maturing after April 1, 1979 attached.

From and after April 1, 1979, interest on the Debentures to be so redeemed will cease and interest coupons maturing subsequent to that date will be void.

NICHOLAS GUAY, *Treasurer*

DATED AT QUEBEC
THIS 15th DAY OF FEBRUARY, 1979

MINING NEWS

CRA makes a come-back in the second half

BY KENNETH MARSTON, MINING EDITOR

THANKS to a good recovery in second-half income coupled with reduced charges for tax and royalties, 1978 earnings of Conzinc Riotinto of Australia come out at A$77m (£43.6m), or 24 cents per share, compared with A$77.9m in 1977.

In addition, there is an extraordinary profit for 1978 of A$12.5m on the sale of the stake in Queensland Alumina to Comalco under the rationalisation of the group's alumina interests.

At the half-way stage, when CRA earnings had dropped to A$23.2m (excluding the Queensland Alumina sale profit) the interim was reduced to 3.5 cents. The final is now raised to 6.5 cents (3.7p), thus maintaining the year's total pay-out at the 1977 level of 10 cents.

The reduction in the tax charge on the latest occasion results from a rise in investment and other allowances. Otherwise, CRA's revenue reflects the already reported falls in earnings of Hamersley and Comalco, offset by rises in the cases of Bougainvilla and Kembla Coal and Coke together with a return to profitability at Mary Kathleen Uranium.

A notable turn-round was achieved by the wholly-owned Australian Mining and Smelting lead-zinc subsidiary which last year contributed a net A$18.1m (A$17m in 1977) after having made a loss in the first six months of A$500,000.

The recent recovery in the zinc price and further strengthening in the market for lead holds the promise of an advance in AM & S earnings this year and, indeed, a similar outlook applies to the group's other major sectors with the possible exception of the iron ore-producing Hamersley.

CRA, however, makes no earnings forecasts at this stage. The Australian group points out that its business depends heavily on overseas demand, metal prices and exchange rates, adding that while the Japanese and German economies are showing stronger signs of recovery the growth of the U.S. economy this year is likely to be slowed by inflation and high interest rates. Furthermore, "the events in Iran and rapidly escalating oil prices cloud the outlook for 1979."

After falling to 283p in initial dealings yesterday CRA shares recovered to close with a net loss of 8p at 290p. A stake of 72.6 per cent is held by Rio Tinto-Zinc.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals, and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Abercom Investments, Guildhall Property, Nolton, Reliance Knitwear.

Finals: Adams and Gibbon, Howard Machinery, London and Lomond Investment Trust, Renown Incorporated, River and Mercantile Trust, River Plate and General Investment Trust, Romney Trust, Bernard Wardle, William Whittingham.

FUTURE DATES

Interims—	
Capseals	Mar. 2?
Cope Allman	Mar. 7?
Douglas (Robert M.)	Feb. 22
English Assoc. of American Bond and Share Holders	Feb. 2?
Hunt and Moscrop	Mar. 6
Kursaal	Feb. 19
Wiggins Construction	Feb. 21
Finals—	
Crest Nicholson	Feb. 2?
Fisons	Mar. 8
Marchwiel	Feb. 18
National Westminster Bank	Feb. 27
Ransomes Sims and Jefferies	Feb. 28
West Coast & Texas Regional Investment Trust	Feb. 20

MINORCO MARKS TIME, BUT...

Half-year profits of Minerals and Resources Corporation (Minorco), the Anglo American Corporation group's Bermuda-registered holding company, have fallen to $7.15m (£3.58m) from $8m in the first half of the year to last June when the total reached $13.6m. The interim dividend is unchanged at 4 cents; the 1977-78 total was 12 cents.

Investment income was higher on the latest occasion, but this was offset by lower interest and sundry revenue received; a loss on operations of Jamangio Industrial Corporation; and an exchange loss which compared with a profit a year ago.

Minorco has a 49.9 per cent stake in the non-dividend-paying Zambia Copper Investments. The latter, which holds 39.997 per cent of Nchanga Consolidated Copper Mines and 12 per cent of Botswana RST, draws a modest income from other sources, mainly interest. And ZCI now announces a half-year profit of $338,000 against £375,000 a year ago.

While the recovery in copper prices seems unlikely to make any major impact on ZCI fortunes in the near term, it should help Minorco, which last year raised its joint holding — with Hudson Bay Mining and Smelting —in America's Inspiration Consolidated Copper from 39 per cent to 73 per cent. Minorco's other major interest is a 29 per cent stake in Engelhard Minerals and Chemicals. Minorco shares were 222p yesterday.

URANIUM STAKE FOR AMPOL

Ampol Petroleum, the Sydney oil group, yesterday confirmed Australian market reports that it had purchased from the Australian Industry Development Corporation an 8.12 per cent stake in Kathleen Investments, thus giving it a stake in the Nabarlek uranium deposit of the Northern Territory.

The cost of the deal is A$3.2m (£1.8m), or A$3.20 for each of the 1m Kathleen shares Ampol is buying. The share price compares with a market value of A$3.55 put on Kathleen shares when rumours of a purchase were at their height and a closing price yesterday of A$3.35.

Kathleen holds 50 per cent of Queensland Mines, the owner of Nabarlek. Development work at deposit is continuing. Ampol, however, is not apparently seeking to extend its interest. A statement said there were no plans to bid for Kathleen.

SCOTTISH NORTHERN

Scottish Northern Investment Trust has repaid its loan of £3m, to Clydesdale Bank and replaced it with an overdraft facility of the same amount from the same bank.

Upturn at Johnnies

Johannesburg Consolidated Investment, the South African mining finance house, yesterday fulfilled the promise implied by last December's higher interim dividend announcement. Net profits for the first half of its current financial year to June 30 are one-third higher than in the comparable period of 1977-78.

Net income for the six months to last December amounts to R21.6m (£12.5m) against R16.2m. Earnings per share are R3.03 (176p) compared with R2.27 in the 1977-78 first half and R6.30 for the whole year to last June.

In December, "Johnnies" declared an interim dividend of 50 cents (29p). In 1977-78 there was an interim of 40 cents and the total payment for the year was unchanged on 1976-77 at 170 cents.

At this stage there seems no reason why the hopes of higher dividends this year, expressed by Sir Albert Robinson, the chairman, last November, should not be met. Half the group's investment income comes from diamonds and gold—indeed, "Johnnies" holding in De Beers constitutes some 15 per cent of the market value of its portfolio —and the market for precious minerals remains strong.

With the Otjihase copper mine written-off and contributions again coming from Rustenburg Platinum after no dividends in "Johnnies" in 1977-78 year, the group's main problems seem to have been put behind.

"Johnnies" investment income in the six months to December was R14.2m against R10.2m in the same period of the previous year. Attributable trading profits were R4.4m against R3.6m.

Anglo American Corporation owns 40.8 per cent of "Johnnies" whose shares in London yesterday were unchanged at £17.

MINING BRIEFS

RAHMAN HYDRAULIC TIN—Monthly output for January 70 tonnes (December 65 tonnes).

TRADERS GROUP LIMITED

(formerly Traders Finance Corporation Limited)

Notice of a Meeting of Holders of:

Senior Secured Notes, Series "X", Senior Secured Notes, Series "Y", Senior Secured Notes, Series "Z", Senior Secured Notes, Series "AA", Senior Secured Notes, Series "AB", Senior Secured Notes, Series "AC", Senior Secured Notes, Series "AD", Senior Secured Notes, Series "AE", Senior Secured Notes, Series "AF", Senior Secured Notes, Series "AH", Senior Secured Notes, Series "AI", Senior Secured Notes, Series "AJ", Senior Secured Notes, Series "AK", Senior Secured Notes, Series "AL", Senior Secured Notes, Series "AM", Senior Secured Notes, Series "AN", Senior Secured Notes, Series "AO", Senior Secured Notes, Series "AP", Senior Secured Notes, Series "AQ", Senior Secured Notes, Series "AR", Senior Secured Notes, Series "AS", Senior Secured Notes, Series "AT", Senior Secured Notes, Series "AU", Short Term Senior Secured Notes and Medium Term Senior Secured Notes (collectively the "Notes") of TRADERS GROUP LIMITED

Notice is hereby given that a meeting of the holders of the Notes of Traders Group Limited (the "Company") issued under and secured by a Deed of Trust and Mortgage and a Trust Deed of Hypothec, Mortgage and Pledge both made as of the 1st day of February, 1949 (the "Original Trust Deed") between the Company and The Royal Trust Company as Trustee (the "Trustee") as supplemented and amended by forty-nine supplemental indentures and supplemental deeds of hypothec, mortgage and pledge made as of April 1, 1949, November 15, 1949, December 15, 1949, April 20, 1950, June 15, 1950, November 1, 1950, March 1, 1951, April 10, 1951, July 15, 1951, September 1, 1951, March 12, 1952, June 17, 1952, December 1, 1952, February 1, 1953, June 15, 1953, April 1, 1954, April 1, 1956, April 20, 1956, December 15, 1956, April 15, 1957, June 1, 1957, October 15, 1958, April 1, 1959, September 15, 1961, September 15, 1961, April 15, 1963, May 15, 1963, April 15, 1964, September 1, 1964, March 15, 1965, February 15, 1966, March 1, 1966, May 1, 1966, November 15, 1966, August 1, 1967, September 1, 1967, November 1, 1967, November 28, 1968, December 1, 1968, December 1, 1969, April 15, 1970, January 15, 1971, September 1, 1974, October 1, 1974, December 15, 1974, March 1, 1976, March 2, 1976, June 1, 1977 and February 1, 1978 which supplemental indentures and supplemental deeds of hypothec, mortgage and pledge are hereinafter called "Supplemental Indentures" and are numbered one to forty-nine respectively (the Original Trust Deed as so amended and supplemented by the Supplemental Indentures being hereinafter called the "Trust Deed") will be held in the Confederation Room No. 3, Royal York Hotel, 100 Front Street West, Toronto, Ontario, Canada on the 12th day of March, 1979 at 10 a.m. (Toronto time) for the purposes of:

1. *Considering and, if thought fit, passing an Amending Resolution for the following purposes:*

(a) to authorize the Company and the Trustee to enter into a supplemental indenture and a supplemental deed of hypothec, mortgage and pledge both supplemental to the Original Trust Deed, to be called the Fiftieth Supplemental Indenture and the Fiftieth Supplemental Deed of Hypothec, Mortgage and Pledge, (hereinafter collectively called the "*Fiftieth Supplemental Indenture*"), amending the Trust Deed; and

(b) to authorize the Trustee to concur in and execute from time to time any other deed or document or writing which may be necessary or desirable for giving effect to and carrying out the modifications and changes to the Trust Deed embodied in the Fiftieth Supplemental Indenture.

The contemplated resolution is authorized by the following power given to the holders of the Notes by the Trust Deed, namely, the power to assent to any modification of or change in or omission from the provisions contained in the Trust Deed which shall be agreed to by the Company and to authorize the Trustee to concur in and execute any indenture supplemental to the Trust Deed embodying any such modification, change or omission.

To accomplish the foregoing, the resolution must be passed at a meeting of the holders of the Notes at which the holders of at least 60% of the principal amount of the Notes for the time being outstanding are present or represented by proxy and carried by the affirmative vote of not less than 75% of the votes of all Noteholders present or represented by proxy and given on a poll and not less than 75% of the votes of the holders of the Long Term Notes present or represented by proxy and given on a poll. In the event that the necessary quorum is not present at such meeting, the meeting may be adjourned, to a day not less than 14 days later. Notice of the adjourned meeting must be given. At the adjourned meeting the Noteholders present or represented by proxy will form a quorum and the resolution may be passed by the affirmative vote of not less than 75% of the votes of all of the Noteholders present or represented by proxy and given on a poll and of not less than 75% of the votes of the holders of Long Term Notes present or represented by proxy and given on a poll.

Long Term Notes, as defined in the Trust Deed, include all outstanding series of Senior Secured Notes except the Senior Secured Notes, Series "AS", the Senior Secured Notes, Series "AT", the Senior Secured Notes, Series "AU", the Short Term Senior Secured Notes and the Medium Term Senior Secured Notes.

Should the required quorum not be present at the meeting, the Company intends to ask the chairman of the meeting to appoint a date for an adjourned meeting.

2. Taking such further or other action, whether by way of extraordinary resolution pursuant to the provisions of the Trust Deed or otherwise, as may be considered advisable.

This Notice is given pursuant to the provisions of the Trust Deed to the intent that any resolution or resolutions passed at the said meeting or at any adjournment thereof shall, if passed in accordance with the provisions of the Trust Deed in that behalf, be binding upon all of the holders of the Notes whether present or absent, and the Trustee (subject to the provisions for its indemnity contained in the Trust Deed) shall be bound to give effect thereto accordingly.

This Notice and the Amending Resolution which includes a draft of the Fiftieth Supplemental Indenture together with a memorandum commenting upon the proposed amendments and copies of the regulations made by the Trustee under the Trust Deed together with forms of proxies and instructions relating thereto are being mailed to all registered holders of the Notes. Additional copies of such documents together with instructions to holders of unregistered Notes, forms of deposit certificates, proxies and other documents to enable holders of unregistered Notes to be present and vote at such meeting and at any adjournment thereof in person or by proxy without producing their Notes may be obtained on application to any of the offices of The Royal Trust Company mentioned below.

DATED the 15th day of February, 1979.

THE ROYAL TRUST COMPANY,
Trustee

The Royal Trust Company:

630 Dorchester Blvd. W. Montreal, Quebec H3B 1S6	287 Broadway Ave. Winnipeg, Manitoba R3C 0R9	400 Royal Trust Tower Edmonton Centre Edmonton, Alberta T5J 2Z2
Royal Trust Tower 23rd Floor Toronto-Dominion Centre Toronto, Ontario M5W 1P9	700 The Dome Tower Oxford Square Calgary, Alberta T2P 2S3	Royal Trust Tower Bentall Centre 555 Burrard St. Vancouver, B.C. V7K 1K2

The following is a summary of the proposed amendments to the Trust Deed to be contained in the Fiftieth Supplemental Indenture. For the exact text of the amendments reference should be made to the draft Fiftieth Supplemental Indenture, copies of which may be obtained from the Trustee:

NEW LENDING POWERS

The proposed amendments would permit the Company to engage in Finance Business in the United States through Restricted Finance Subsidiaries in the same way its Finance Business is presently carried on in Canada.

The amendments would also permit the Company to make loans to corporations by way of investment in term preferred shares of such corporations and, subject to certain restrictions, would permit the use of such shares as collateral pledged under the Trust Deed as security for the Notes.

The amendments would also permit the Company to include leveraged leases with corporations having a credit rating of "AA" or better as collateral pledged under the Trust Deed as security for the Notes.

INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

The Trust Deed presently restricts the Company's ability to invest in certain Subsidiaries and Associates by limiting the aggregate amount of such investments to 50% of Capital Base. The proposed amendments would remove Guaranty Trust Company of Canada from this restriction and also any future Subsidiaries of a financial intermediary nature such as banks and other trust companies. The amendments would restrict the Company's ability to invest in Subsidiaries and Associates which are not of a financial intermediary nature by limiting the aggregate amount of such investments to 20% of the Company's capital funds (i.e. unsecured debt and equity).

CAPITAL BASE

The proposed amendments revise the definition of Capital Base (i.e. borrowing base) to increase the deduction for investment in certain Subsidiaries of a non financial intermediary nature and Associates from 50% to 100%. In addition, the deduction applicable to Guaranty Trust Company of Canada, Insurance Subsidiaries and future Subsidiaries of a financial intermediary nature such as banks and trust companies is being changed to a deduction of 100% of the amount by which the Company's investment in such Subsidiaries exceeds 25% of capital funds.

OTHER AMENDMENTS

The proposed amendments revise the definition of Associate to mean a corporation or other business entity in which the Company owns directly or indirectly more than 10% of the voting rights. This definition will enable the Company to make loans to entities in which Subsidiaries such as Guaranty Trust Company of Canada have normal course portfolio investments without such loans being classified as an investment in an Associate.

The amendments also permit the Company to sell shares of Subsidiaries free of encumbrance and cease portions of its operations when considered in the best interests of the Company so long as no default under the Trust Deed would occur as a result of such action.

Notice of Redemption and Termination of Conversion Privilege

KOMATSU, LTD.

(formerly Komatsu Manufacturing Co., Ltd.)
(Kabushiki Kaisha Komatsu Seisakusho)

6¼% Convertible Debentures
Due June 30, 1984

NOTICE IS HEREBY GIVEN that, in accordance with the provisions of the Indenture dated as of June 1, 1969 between Komatsu Manufacturing Co., Ltd. (now KOMATSU LTD.) and First National City Bank (now Citibank, N.A.), Trustee (the "Indenture") under which the above-described Debentures were issued, the Company has elected to exercise its right to, and shall, redeem on March 1, 1979 all of its outstanding Debentures at a redemption price of 102½% of the principal amount thereof together with accrued interest to the date fixed for redemption, entitling each holder of $1000 Debenture to an aggregate payment of $1035.59.

Payment of the redemption price will be made at the office of the Trustee, Citibank, N.A., 2nd Floor Bond Windows, 111 Wall Street, New York, NY 10043 and at the main offices of Citibank in Amsterdam, Brussels, Frankfort/Main, London, Milan and Paris, the offices of J. Henry Schroder Wagg & Co. Limited in London, Kredietbank S.A. Luxembourgeoise in Luxembourg and Banque Européenne de Tokyo S.A. in Paris at any time on or after March 1, 1979, upon presentation and surrender of the Debentures with all coupons appertaining thereto maturing on or after June 30, 1979. From and after March 1, 1979 interest on the Debentures will cease to accrue.

The right to convert the principal of the Debentures so being redeemed will terminate at the close of business on March 1, 1979. As of January 22, 1979, the conversion price was 216 yen per share and the closing market price of the common stock of KOMATSU LTD. on the Tokyo Stock Exchange was 393 yen. The yen equivalent of each $1000 Debenture, as established under the Indenture, is 360,000 yen. A holder electing to convert would be entitled to receive 1666 yen shares. Debentures may be presented for conversion at the office of any paying agent mentioned in the first paragraph of this notice.

KOMATSU, LTD.
By: CITIBANK, N.A., *Trustee*

January 30, 1979

Companies and Markets

UK COMPANY NEWS

Charter Trust reduces American holdings

During the year, significant changes have taken place in the geographical disposition of the investments of Charter Trust and Agency, says Mr. M. C. Devas, the chairman, in his annual statement.

The proportion of invested funds held in UK securities has increased to just over 73 per cent, while the overseas exposure has been reduced to 27 per cent. The principal changes to overseas portfolio have been the reduction in the U.S. holdings by £1.2m; the virtual elimination of the commitment to Europe; and the increase in the investment in the Japanese market.

The reduction in the U.S. portfolio, Mr. Devas explains, is partly due to the decision taken last year to re-finance part of the American holdings by way of dollar borrowings instead of through the investment dollar premium.

Since the year-end, the American holdings in the loan account have again been substantially reduced since the directors felt that the near-term prospects for the U.S. market did not justify the high cost of borrowing dollars. The trust's U.S. exposure is now at the lowest level for over 10 years.

The decision to sell the Trust's European investments, Mr. Devas continues, stemmed largely from the fear that if the UK complied with its obligations under the Treaty of Rome, the investment dollar premium would be removed from EEC securities, thus substantially reducing the Trust's European portfolio.

Given also the relatively slow rate of growth expected from most of the European economies, it was decided that the funds could be more profitably employed elsewhere.

In the Far East, £800,000 was used to increase the Trust's interest in Japan where the directors feel that, despite the high level of the stock market and the Yen, the prospects for continuing long-term growth remain favourable.

As already announced, gross revenue for the year to end-November increased from £1.65m to £2.02m. Stated net earnings increased 14 per cent to 2.53p. The final dividend was 1.7p, making 2.45p (2.15p).

Investments at valuation amounted to £31.58m (£31.09m). Unrealised appreciation totalled £11.17m (£11.92m).

Meeting, 20 Fenchurch Street, EC, on March 8, at 2.30 pm.

Futura profit outlook

The directors of Futura Holdings, footwear manufacturer, of Stalybridge, expect pre-tax profits for 1978 to be in the region of £176,000 including profits arising from the disposal of property of £6,000—in 1977, profits were £172,776 plus £2,400 from property disposal.

Order prospects for 1979 appear reasonable but in view of the present industrial disputes affecting deliveries and high wage claims and settlements which must be reflected in costs the Board is not in a position to make a profits forecast so early in the year.

Broadstone Investment increase

Taxable revenue of Broadstone Investment Trust rose from £1.14m to £1.28m in the year 1978 after a virtually static second half. At the midway stage pre-tax revenue stood at £646,082, against £508,829.

The year's taxable revenue was struck after expenses and interest of £307,835, compared with £317,026. Tax takes £454,272 (£412,246).

The final dividend is 4.15p net per 20p share lifting the total from 5.15p to 5.7p. Stated earnings per share are up from 5.32p to 5.88p.

H. T. Invests.

In 1978, pre-tax profits of H. T. Investments rose from £199,766 to £201,796 after interest.

After tax of £81,638 (£81,819), earnings per 25p share are shown to have increased from 4.79p to 4.88p. The net dividend is lifted from 4p to 4.5p. Net asset value is stated higher at 119.93p (117.79p).

Gross revenue reached £230,963, against £238,156.

Board changes at JCEG

A boardroom shake-up at JCEG, the construction equipment group, is announced. It follows a year of losses and qualified accounts.

Mr. Edmund Hine, an accountant, has joined as a non-executive director, and Mr. Geoffrey Turner, the group's plant hire specialist, has stepped up to the boardroom.

Leaving the Board is Mr. R. A. Isherwood, the company secretary. Mr. Isherwood is leaving for "personal reasons" said Mr. B. B. Dearden, the chairman. He did not want to carry on after the new appointments.

The changes have been made "to strengthen the Board on the financial and accounting front" according to Mr. Dearden. "We are having a long hard look at all our operations."

"It is no good blaming the state of trade. We have to set new policies to succeed despite the state of trade."

JCEG incurred a pre-tax loss of £123,000 in the year to March 31, 1978 and the auditors found discrepancies of £75,000 in a Scottish subsidiary. The auditors, Burne Phillips, commented, "no satisfactory explanation for these discrepancies has been found."

The auditors were also unable to satisfy themselves as to the validity of £26,000 of expenses in the accounts of another subsidiary. Mr. Dearden said in the annual report that "weakness in certain accounting procedures at Johnson Machinery referred to by the auditors was corrected immediately on discovery."

Winding up orders

Orders for the compulsory winding up of 30 companies have been made by Mr. Justice Vinelott in the High Court. They were:

Putterill Brothers, A.V.S. Kitchen Designs, Moxcliff, H. E. Foster and Son, Middlesex Damp Proofing Company, Udasquins Property Company, Acton Excavations, Balsacraft, P. J. Chains, Geestone.

Thomas Morrissey and Sons, K.L. Cars, Leisure Lighting, Hou Kong (Chinese Restaurant), Norham Enterprises, Industron, Trade Wings (London), D. Spencer Motor Engineering.

Propingham, Select Aluminium Company, Bordeaux Building and Construction Company, Willett Tetther, Peter Cowling, Vilford.

Westlands Heating Contractors, Olister Builders Merchants, Insheat Services, Hopkins and Paul Products, Hoddesdon Contractors, and Traceys Hair Foods.

Notice of Redemption

Occidental Overseas Capital Corporation

9¼% Guaranteed Sinking Fund Debentures Due March 15, 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of March 15, 1970 under which the above described Debentures were issued, Citibank, N.A. (formerly First National City Bank), as Fiscal Agent, has drawn for redemption on March 15, 1979, through the operation of the sinking fund provided for in said Fiscal Agency Agreement, $2,220,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF $1,000. PRINCIPAL AMOUNT OUTSTANDING

[illegible]

The Debentures specified above are to be redeemed for the said sinking fund at the **WCG-Agency Services Department of the Fiscal Agent, 111 Wall Street, in the Borough of Manhattan, The City of New York, State of New York,** or, subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in Amsterdam, London, Paris, Frankfurt/Main or Citibank (Belgium) S.A., in Brussels or at the main offices of Algemene Bank Nederland N.V. in Amsterdam, Banque de Bruxelles S.A. in Brussels, Commerzbank Aktiengesellschaft in Düsseldorf, Dresdner Bank Aktiengesellschaft in Frankfurt/Main, Hambros Bank Limited and N. M. Rothschild & Sons in London, Banque de Paris et des Pays-Bas in Paris and Banque Internationale à Luxembourg in Luxembourg, the Company's paying agents, and will become due and payable, by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City, on March 15, 1979, at the redemption price of 100 percent of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on the said Debentures will cease to accrue.

The said Debentures should be presented and surrendered at the offices set forth in the preceding paragraph on the said date with all interest coupons maturing subsequent to the redemption date.

Coupons due March 15, 1979 should be detached and presented for payment in the usual manner.

For OCCIDENTAL OVERSEAS CAPITAL CORPORATION

By CITIBANK, N.A.,
Fiscal Agent

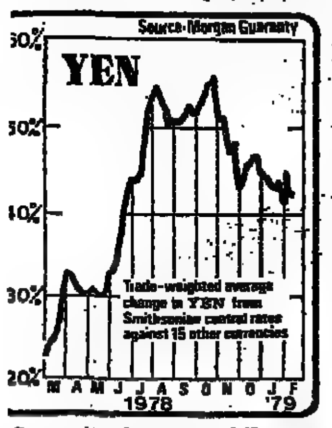
February 9, 1979

Companies and Markets

CURRENCIES, MONEY and GOLD

Dollar declines: Pound firm

The dollar lost ground in yesterday's foreign exchange market and finished on or around its worst level against most currencies. Trading in the early part of the morning was generally quiet but the dollar soon started to fall away, although at the time the reasons behind the decline were not apparent. Some profit taking may have pushed the



U.S. unit lower, while the situation in Iran remained far from encouraging. Against the D-mark, the U.S. unit fell to DM 1.8570, little changed from Tuesday's close of DM 1.8575, but well down from the best level attained in the morning of DM 1.8640. Similarly the Swiss franc improved at the dollar's expense to SwFr 1.6750 from SwFr 1.6650, while the Japanese yen finished at Y200.25 against Y199.40.

On Bank of England figures, the dollar's index was unchanged at 84.3 and its trade weighted depreciation on Morgan Guaranty figures was also unchanged at 8.4 per cent.

Sterling traded steadily throughout and after opening at $1.9970-1.9980, it rose to $2.0025 where most of the day's trading took place. By the close it had improved further to $2.0045-2.005, a rise of 15 points from Tuesday's close. Yesterday's announcement of UK trade figures for January had very little effect on the market. Sterling was also stronger against most European currencies, and this was reflected in its trade weighted index which rose to 63.7 from 63.5, having stood at 63.6 at noon and in the morning.

FRANKFURT—The Bundesbank intervened at yesterday's fixing on the largest scale this year, although the amount of support for the dollar was relatively small at $13m. The U.S. unit was fixed at DM 1.8565 against DM 1.8605 on Tuesday after opening at around DM 1.8625. The market seemed to be in some confusion as to why the dollar had shown an easier trend although the continued violence in Iran could possibly have had some effect.

NEW YORK—Early trading showed little change in most major currencies and the dollar was quoted slightly lower at DM 1.8563 compared with DM 1.8582 on Tuesday. Sterling was also easier at $2.0020 against $2.0040 while the Swiss franc firmed slightly to SwFr 1.6755 from SwFr 1.6765.

MILAN—In quiet trading the dollar was fixed at L840.25 against the lire, up from the previous level L839.79. At the same time the D-mark improved from L450.85 to L452.25 although dealers suggested this as being mainly a technical adjustment.

AMSTERDAM—The dollar was fixed at Fl 2.0085 yesterday compared with Fl 2.0160 on Tuesday.

TOKYO—The dollar showed a moderate improvement against the yen yesterday, and closed at Y200.725 compared with Tuesday's level of Y199.175. Further statements on the U.S. authorities' resolve to uphold the value of the dollar, helped to improve sentiment. Towards the close of trading speculative demand increased ahead of any continuation in the bullish trend in European markets. The situation in Iran seemed to divide the market as to whether conditions were any better, and these two tended to cancel out each other. Trading in the spot market totalled $563m with forward trading at $122m and swap trading accounting for $727m.

THE POUND SPOT

Feb. 14	Bank rate %	Day's Spread	Close
U.S. $	9½	1.9955-2.0060	2.0045-2.0055
Canadian$	11¼	2.3880-2.3910	2.3895-2.3905
Guilder	6½	4.01-4.04	4.02¾-4.03¾
Belgian F	6	58.45-58.80	58.65-58.75
Danish K	8	10.28-10.32	10.30½-10.31½
D mark	3	3.70½-3.73½	3.72-3.73
Port. Esc.	18	94.50-95.40	94.90-95.30
Span. Pes.	8	138.00-138.70	138.55-138.65
Lira	10½	1,677-1,685	1,683½-1,684½
Nrwgn. K.	7	10.18-10.21	10.19½-10.20½
French Fr.	9½	8.54-8.57	8.56-8.57
SwedishKr	6½	8.72½-8.75½	8.74½-8.75½
Yen	3½	397-407	401-405
AustriaSch	3¾	27.15-27.30	27.22-27.27
Swiss Fr.	1	3.35-3.38	3.35½-3.36½

Belgium rate is for convertible francs. Financial franc 59.55-59.65.
* Close for Nrwg. Kr. on Feb. 12 should have read: 10.17½-10.18½.

FORWARD AGAINST £

Feb. 14	One month	% p.a.	Three months	% p.a.
U.S. $	0.57-0.47c.pm	3.11	1.48-1.38c.pm	2.85
Canadian$	0.65-0.55c.pm	3.01	1.55-1.45c.pm	2.51
Guilder	2½-1½ c.pm	5.96	7¼-6¼ c.pm	6.70
Belgian F	30-20 c.pm	5.11	80-70 c.pm	5.11
Danish K	1⅛orepm-⅛ods	0.58	2¼-1¼ore pm	1.26
D mark	3⅝-2⅝ pf pm	9.26	9¼-8¼ pf pm	9.26
Port. Esc.	30-100 c.dis	-8.20	20-200 c. dis	-5.05
Span. Pes.	20cpm-30c.dis	-0.45	25-75 c. dis	-0.72
Lira	4½-2½ lire pm	0.89	8½-4½ lire pm	1.37
Nrwgn. K.	5-3 ore pm	3.82	13-11orepm	4.71
French Fr.	4½-3½c.pm	5.60	12½-11½ c. pm	5.60
SwedishKr	4-2 ore pm	4.11	11½-9½ore pm	4.91
Yen	3.40-3.10c.pm	9.70	10.10-9.70 c pm	9.85
AustriaSch	22-12 gro pm	7.49	62-52 gro pm	8.37
Swiss Fr.	3⅝-2⅝ c. pm	12.05	11½-10½ c. pm	12.95

Six-month forward dollar 2.55-2.50c pm, 12-month 4.90-4.80c pm.

THE DOLLAR SPOT AND FORWARD

Feb. 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK	1.9955-2.0060	2.0045-2.0055	0.57-0.42c pm	3.11	1.48-1.38c pm	2.85
Ireland	1.9955-2.0060	2.0045-2.0055	0.57-0.47c pm	3.11	1.48-1.38c pm	2.85
Canada†	83.84-83.96	83.84-83.87	0.50-0.20c dis	-0.54	0.90-0.60c dis	-0.36
Nethlnd.	2.0065-2.0100	2.0080-2.0100	0.59-0.54c pm	3.55	2.02-1.97c pm	3.96
Belgium	29.25-29.31	29.27-29.29	6¼-5¼c pm	2.22	19½-18c pm	2.48
Denmark	5.1415-5.1565	5.1415-5.1440	0.75-1.25ore dis	-2.49	2.85-3.25ore dis	-2.39
W. Ger.	1.8560-1.8580	1.8570-1.8580	1.00-0.90pf pm	6.47	3.10-3.00pf pm	6.54
Portugal	47.35-47.60	47.35-47.50	32-42c dis	-9.36	50-115c dis	-6.96
Spain	69.11-69.19	69.11-69.16	13-23c dis	-3.35	50-70c dis	-3.51
Italy	839.20-840.50	840.00-840.50	1.35-1.65lire dis	-2.22	3.55-4.05lire dis	-1.81
Norway	5.0880-5.1020	5.0880-5.0890	0.75-0.35ore pm	1.30	3.00-2.85c pm	2.78
France	4.2720-4.2830	4.2720-4.2745	1.13-1.03c pm	3.24	1.80-1.40ore pm	1.35
Sweden	4.3650-4.3730	4.3670-4.3680	0.75-0.55ore pm	1.91	2.50-2.30ore pm	2.22
Japan	199.90-200.50	200.30-200.50	1.18-1.08y pm	7.23	3.60-3.45y pm	7.23
Austria	13.58½-13.600	13.58½-13.59½	6.50-5.75gro pm	5.79	20.0-18.0gro pm	5.65
Switz.	1.6742-1.6780	1.6755-1.6770	1.33-1.23c pm	10.04	4.28-4.24c pm	10.38

† U.S. cents per Canadian $.

CURRENCY RATES

February 13	Special Drawing Rights	European Unit of Account
Sterling	0.643683	0.676712
U.S. dollar	1.28798	1.34548
Canadian dollar	1.53705	1.60623
Austrian schilling	17.6941	18.3792
Belgian franc	37.9660	39.5839
Danish krone	6.62011	6.95486
Deutsche Mark	2.39625	2.51133
Guilder	2.59903	2.71423
French franc	5.52535	5.77042
Lira	1081.56	1132.32
Yen	256.433	270.131
Norwegian krone	6.54606	6.87135
Peseta	88.9800	93.0395
Swedish krona	5.61164	5.90059
Swiss franc	2.15540	2.25578

CURRENCY MOVEMENTS

February 14	Bank of England Index	Morgan Guaranty changes %
Sterling	63.73	-40.5
U.S. dollar	84.31	- 8.4
Canadian dollar	78.82	-18.7
Austrian schilling	147.10	+19.9
Belgian franc	114.86	+15.3
Danish krone	119.08	+ 7.7
Deutsche Mark	150.19	+41.9
Swiss franc	194.49	+82.0
Guilder	124.75	+20.8
French franc	99.53	- 5.3
Lira	54.20	-49.3
Yen	144.23	+42.5

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Feb. 14	£	$		£ Note Rates
Argentina Peso	2,145-2,165	1070-1080	Austria	26.75-27.75
Australia Dollar	1.7680-1.7740	0.8830-0.8840	Belgium	59-60.
Brazil Cruzeiro	42.98-43.98	21.45-21.95	Denmark	10.25-10.35
Finland Markka	7.93-7.98	3.9750-3.9775	France	8.50-8.60
Greek Drachma	73.345-74.111	36.10-36.95	Germany	3.65-3.75
Hong Kong Dollar	9.580-9.6050	4.7930-4.7960	Italy	1,650-1,700
Iran Rial	152.40-162.40	76-81	Japan	398-408
Kuwait Dinar (KD)	0.543-0.553	0.2793-0.2740	Netherlands	3.95-4.05
Luxembourg Frc.	58.65-58.75	29.32-29.34	Norway	10.15-10.25
Malaysia Dollar	4.3890-4.4035	2.2020-2.2050	Portugal	90-97
New Zealand Dlr.	1.8930-1.9000	0.9467-0.9490	Spain	139.50-144.50
Saudi Arab. Riyal	6.66-6.76	3.3600-3.3610	Switzerland	3.30 3.40
Singapore Dollar	4.3490-4.3615	2.1805-2.1815	United States	2.0020-2.0120
Sth. African Rand	1.6937-1.7252	0.8447-0.8565	Yugoslavia	40.5-42.5

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Feb. 14	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.005	3.725	402.0	8.555	3.360	4.030	1684.	2.390	58.70
U.S. Dollar	0.499	1.	1.858	200.5	4.272	1.675	2.010	840.0	1.192	29.26
Deutsche mark	0.268	0.538	1.	107.9	2.299	0.902	1.082	452.1	0.642	15.76
Japanese Yen 1,000	2.488	4.988	9.266	1000.	21.31	8.358	10.02	4190.	5.945	146.0
French Franc 10	1.168	2.341	4.349	469.4	10.	3.923	4.705	1966.	2.790	68.55
Swiss Franc	0.298	0.597	1.109	119.6	2.549	1.	1.199	501.5	0.711	17.47
Dutch Guilder	0.248	0.498	0.924	99.75	2.125	0.834	1.	417.9	0.593	14.57
Italian Lira 1,000	0.594	1.190	2.212	238.7	5.085	1.995	2.393	1000.	1.419	34.85
Canadian Dollar	0.418	0.839	1.559	168.2	3.584	1.406	1.686	704.7	1.	24.56
Belgian Franc 100	1.704	3.416	6.346	684.8	14.59	5.724	6.865	2869.	4.072	100.

EURO-CURRENCY INTEREST RATES

Feb. 14	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	13⅜-13⅝	10-10¼	8¾-9¼	6½-6¾	1/16-3/16	3½-3¾	6⅝-6⅞	14-16	—	-6-5⅛
7 day's notice	13⅜-13⅝	10⅛-10⅜	9¼-9¾	6½-6¾	1/16-3/16	3½-3¾	6⅞-7⅛	10-11	9-9⅛	1 1/16-3 1/16
Month	13¼-13⅜	10 7/16-10 9/16	10⅛-10⅞	6½-6¾	par-⅛	3 11/16-3 13/16	6⅞-7⅛	12½-13½	10 1/16-10 3/16	2 9/16-3 1/16
Three months	13⅜-13½	10 7/16-10 9/16	10 11/16-11 1/16	6½-6¾	1/16-3/16	3⅞-4	7¾-8	13-14	10 5/16-10 7/16	3-3½
Six months	13⅜-13½	10⅞-11⅛	10 11/16-11 1/16	6½-6¾	3/16-5/16	4 1/16-4 3/16	8½-8¾	13⅛-14⅛	10 11/16-11 1/16	3½-3⅞
One year	13-13½	10 13/16-11 1/16	10 13/16-11 3/16	6¾-7	½-⅝	4⅛-4¼	9⅛-9⅜	13¾-14¾	11-11⅛	3¾-4⅛

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.45-10.55 per cent; three months 10.70-10.80 per cent; six months 11.05-11.15 per cent; one year 11.00-11.10 per cent.

Long-term Eurodollar deposits: two years 10⅞-10⅝ per cent; three years 10⅞-10⅝ per cent; four years 10⅞-10⅝ per cent; five years 10⅞-10⅝ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Dutch money rates firm

Money remained in short supply in the Dutch money market this week, with three-month interbank rates moving within a narrow range below 8 per cent.

A cut in the official discount rate from the present level of 6½ per cent is considered unlikely as long as commercial banks maintain a surcharge of 1½ per cent on corporate overdrafts, a rate that forms part of the prime rate, broadly defined. The surcharge has been lowered twice in the past four weeks to 10½ per cent.

The central bank's most recent credit facility, to reduce tightness in the money market, is due to expire on February 22, but is expected to be followed by a new one.

Call money was quoted at 7⅞-8 per cent in Amsterdam yesterday, compared with 7¾-8 per cent previously. One-month rose to 7⅝-7¾ per cent, from 7½-7⅝ per cent, while three-month eased to 7⅝-7⅞ per cent from 7¾-7⅞ per cent. Six-month rose to 7¾-7⅞ per cent from 7⅝-7⅞ per cent.

FRANKFURT—Money market rates were generally firmer, with call money rising to 3.75-3.85 per cent from 3.65-3.75 per cent, while one-month was unchanged at 3.80-3.90 per cent. Three-month was quoted at 4.10-4.20 per cent, compared with 4.05-4.25 per cent previously, and six-month at 4.25-4.35 per cent, against 4.20-4.40 per cent. 12-month money rose to 4.75-4.85 per cent from 4.55-4.75 per cent.

PARIS—Day-to-day money rose to 6⅞ per cent from 6⅝ per cent. One-month increased to 6 11/16-6 13/16 per cent from 6⅝-6⅞ per cent, and three-month to 6⅞-7 per cent from 6¾-6⅞ per cent. Six-month was unchanged at 7½ per cent, but 12-month rose to 7⅝-7½ per cent from 7½-7⅝ per cent.

BRUSSELS—Call money eased to 4.45 per cent from 5.45 per cent. One-month fell to 8¼-8½ per cent from 8½-8¾ per cent, while three-month eased to 8¼-8½ per cent from 8⅜-⅝ per cent. Six-month was quoted at 8¼-8⅝ per cent compared with 8 5/16-8 9/16 per cent, and 12-month was also 8⅜-8⅝ per cent, against 2 5/16-8 9/16 per cent.

NEW YORK—The Federal Reserve added liquidity to the banking system by way of overnight repurchase agreements, with Federal Funds at 10⅝-10¾ per cent. After this, rates traded within a very wide range of 10½-11 per cent, and the Fed undertook a further round of repurchase orders.

HONG KONG—The money market was easy, with call money at 8⅝ per cent and overnight at 7½ per cent.

GOLD

Further fall

Gold lost $1 an ounce in the London bullion market yesterday to close at $240-240⅝. After opening at $237¾-238½, the metal moved to a low point of $237½-238 before the morning fixing of $237.60. Gold then started to improve and touched its best level in Europe just before the opening of U.S. markets. The latter continued the firmer trend, and in New York it touched $241-241½ at one point.

In Paris the 12½ kilo bar was fixed at Fr 32,550 per kilo ($236.76 per ounce) compared with Fr 32,500 ($236.42) in the morning and Fr 32,950 ($238.59) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 14,300 per kilo ($239.13 per ounce) against DM 14,545 ($244.16) previously.

	February 14	February 13
Gold Bullion (fine ounce)		
Close	$240-240⅝	$241-241½
Opening	$237¾-238½	$244½-245½
Morning fixing	$237.60 (£118.877)	$244.00 (£121.744)
Afternoon fixing	$240.65 (£120.133)	$240.60 (£120.662)
Gold Coins, domestically		
Krugerrand	$277½-281½ (£138½-140½)	$276¼-280¼ (£138-140)
New Sovereigns	$68-70 (£34-35)	$68½-70½ (£34¼-35¼)
Old Sovereigns	$70-72 (£35-36)	$70½-72½ (£35¼-36¼)
Gold Coins, internationally		
Krugerrand	$247-249 (£123½-124½)	$250-254 (£124½-126½)
New Sovereigns	$63-65 (£31½-32½)	$64¼-66¼ (£32-33)
Old Sovereigns	$70-72 (£35-36)	$70½-72½ (£35¼-36¼)
$20 Eagles	$313-318	$317½-319½
$10 Eagles	$171-176	$175-180
$5 Eagles	$115-125	$119-124

UK MONEY MARKET

Very large assistance

Bank of England Minimum Lending Rate 14 per cent (since February 8, 1979)

Interest rates continued to ease in the London money market yesterday, with three-month interbank rates falling to 13⅜-13⅝ per cent from 13 7/16-13 11/16 per cent.

Day-to-day credit was in short supply, and the authorities gave a very large amount of assistance by buying a large number of Treasury bills from the discount houses and banks, and a moderate amount of eligible bank bills from the houses, for resale at a fixed future date.

Banks brought forward small surplus balances, there was a small decline in the note circulation, and a moderate excess of Government disbursements over revenue payments to the Exchequer. These were outweighed by a small net take-up of Treasury bills, unwinding of a sale and repurchase agreement of bank bills, and settlement of very large gilt edged sales.

Discount houses paid 12½-13½ per cent for secured call loans at the start, with closing balances taken at 13 per cent.

In the interbank market overnight loans opened at 13¼-13½ per cent, and touched 13½-14 per cent in late trading, before closing at 12 per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Feb. 14 1979	Sterling Certificate on deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	12-14	—	—	—	13¼-14	12¾-13¼	—	—	—
2 days notice	—	—	13½-13⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	13⅞	—	—	—	—
7 days notice	—	13⅝-13⅝	13⅝-13¾	—	13⅞	13⅞	13-13¼	—	—	—
One month	13 1/16-13 3/16	13 7/16-13⅝	13½-13⅝	13⅛-13⅝	13⅞	—	13-13⅛	12 13/16	13 5/16-13¼	13⅝
Two months	13⅜-13⅜	13 7/16-13 9/16	—	13⅛-13⅜	13⅞	13⅞	13-13⅛	12 13/16	13⅛-13¼	13¾
Three months	13 5/16-13⅜	13⅜-13⅝	13⅝-13¾	13-13½	13¾	—	13-13¼	12 13/16	13 1/32	13⅞
Six months	13⅜-13¼	13⅜-13½	13¼-13⅜	12¾-13⅜	13¾	—	—	—	12⅝	14¼
Nine months	13⅛-13	13⅛-13⅜	—	13-13⅛	13⅜	—	—	—	—	—
One year	13 1/16-12 13/16	13-13¼	13-13⅜	12⅞-13⅛	13⅜	—	—	—	—	—
Two years	—	—	13⅜-13½	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years 13⅝-13⅞ per cent; four years 13⅝-13⅞ per cent; five years 13⅝-13⅞ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12⅞ per cent; four-month trade bills 14 per cent.

Approximate selling rates for one-month Treasury bills 12 25/32 per cent; two-month 12 25/32 per cent; three months 12 27/32 per cent. Approximate selling rate for one-month bank bills 13 1/16-13⅛ per cent; two-month 13-13⅛ per cent; and three-month 12 15/16 per cent; one-month trade bills 13½ per cent; two-month 13⅜ per cent; and three-month 13¼ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 12½ per cent from February 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 10 per cent. Clearing Bank Rates for lending 13½ per cent. Treasury Bills: Average tender rates of discount 13.1154 per cent.

MONEY RATES

NEW YORK

Prime Rate	11.5-11.75
Fed Funds	10.75
Treasury Bills (13-week)	9.26
Treasury Bills (26-week)	9.32

GERMANY

Discount Rate	3
Overnight Rate	3.80
One month	3.85
Three months	4.15
Six months	4.30

FRANCE

Discount Rate	9.5
Overnight Rate	6.875
One month	6.75
Three months	6.9375
Six months	7.125

JAPAN

Discount Rate	3.5
Call (Unconditional)	4.375
Bills Discount Rate	4.625

AVELING BARFORD

BY HAZEL DUFFY, Industrial Correspondent

The future of a BL experiment in the balance

AVELING BARFORD, the construction equipment subsidiary of BL, was to have been the flagship of a growth industry. Just two years ago, it was formed into a division within the Special Products group of companies, which in themselves were the showpiece of how publicly-owned BL could be as profitable as the private sector as long as it had the right material.

The managing director of SP Industries (formerly Special Products), Mr. David Abell, gained the backing of the BL board to expand the companies, and, as in the case of Aveling Barford, to take the sort of bold steps which are so often urged on manufacturing industry in the private sector.

Yet this week, if other more pressing problems do not push it off the agenda, the board of BL will be discussing what it can do with loss-making Aveling Barford, which with Prestcold is all that remains of SP Industries. The discussions will take place in the light of a review of the two companies which got under way a couple of months ago when Mr. Abell was moved over to the much bigger and more pressing problem of Leyland Vehicles, taking with him the more profitable of the companies which had been in his charge for four years.

The recent performance of Aveling Barford, which returned losses of more than £6m in 1978, is a disappointment for BL. But it also amounts to a setback for those in the Department of Industry and the National Enterprise Board who had pinned some of their hopes for a stronger British-owned construction equipment industry on the Aveling Barford experiment.

The industry has always been one of the best performers in the mechanical engineering sector, in terms of growth, exports, investment and profitability. Much of this success, however, is due to the fact that several of the multinational companies which dominate the industry world wide have plants in the UK. Welcome though they are, and their contribution gratefully acknowledged, the industrial planners would feel more comfortable if there was a stronger British-owned presence. This is particularly the case in earthmoving equipment. In other areas of the industry, for example, mobile cranes—and quarrying equipment—British companies put up a stronger show.

For this reason, the industry was picked out both by the NEB, and under the Government's industrial strategy, as one which could be strengthened through re-structuring. It was recognised that, although the industry seemed healthy enough at the time (this was about three years ago) competition from the multinationals in export markets—which are vital to the survival of this industry—would increase rather than diminish.

In the main this is not a high technology industry. The competition is on price, servicing, spares, and extras like training. Companies normally operate through distributors, who may act for only one company if, like Caterpillar for example, it makes a full range of products. Mostly, the distributor will act for several companies whose products are complementary.

Both for selling the product initially, and providing the after-sales service, liaison with the dealer network is vital. Like most of the industry, Aveling Barford was already a big exporter, but Mr. Abell decided it needed stronger overseas representation to expand its export base and maintain liaison with dealers. Aveling Barford International was formed in January 1977, and offices were opened in Australia, Venezuela, Nigeria, Singapore, Kenya, Dubai and Canada. It was a courageous decision to go for exports in this way, and in more buoyant market conditions, it would probably have paid off.

Unfortunately for Aveling Barford, the industry, already in recession, did not pick up as expected. With the rate of development in the Middle East slowing down, things probably got worse, and the group found itself doing all the right things at the wrong time. Not only was it investing in an expensive overseas sales network, it was also spending on modernisation and expansion at home. A £7m programme was started at the Grantham plant, while Aveling Marshall (formerly Marshall Fowler, a maker of crawler tractors which was bought from the receiver in 1975) and Barfords of Belton were also the subject of a sizeable investment programme.

By the second half of 1977, it was becoming clear that the programme was over-ambitious. Margins were coming under pressure, and the profit of £2.7m before interest and tax

AVELING BARFORD

	Sales revenue	Profit before interest and tax
1975/76 (15 months)	£41.5m	£4.5m
1977	£51.9m	£2.7m
1978 (est.)	£50-60m	—£6.5m

was substantially down on target.

Nineteen-seventy-eight proved much worse, particularly with the dollar coming under renewed pressure, and the competition from the American-based multinationals like Caterpillar, John Deere, JI Case and International Harvester becoming stronger. The turnover figures for 1978, when they are released, will show sales of between £50m and £60m—below what had been hoped. The loss of around £6.5m reflected the price at which Aveling Barford had to sell in order to get business. As it is, the group has reduced its workforce by about 10 per cent over the past year. This was done through voluntary redundancy schemes, early retirement, etc., but any further cutbacks of below the current numbers of 3,550 would be unlikely to be achieved this way.

Aveling Barford's main problem is insufficient demand. The second largest company in the British-owned sector, it has a good range of products and it is the only manufacturer which makes some of the heavier equipment for which world demand is growing. Some rationalisation of its range is needed in order to trim costs. It has not been too successful, for example, in wheeled loaders which it entered late. In other products, notably the crawler tractor for agricultural use, it is the only remaining British manufacturer. In fact saving the crawler tractor, and preserving jobs, was the rationale for paying £3m for Marshall Fowler.

Industrial relations have been good, although the loyalty of the workforce must be under considerable strain in the present period of uncertainty. This is the main reason why it is felt that a decision about the company's future has to be made soon: the unions have been promised that they will be consulted before it is made known publicly.

Several options have been considered by the review team. One of these must have been that BL should soldier on with Aveling Barford. The company was bought by Leyland Motors in 1965, but its links with the truck business have always been tenuous. It provided Leyland with a tied outlet for engines, but BL does not make engines large enough for the heavier equipment, while construction equipment customers in all ranges often specify the engine they want to fit in with other equipment. Aveling Barford therefore uses a range of engines, probably much less than half coming from BL.

The link between BL and its subsidiary has not been any stronger on overseas markets, Aveling Barford having set up its own sales offices overseas without using the BL network.

In the past BL has justified the retention of Aveling Barford on the grounds that it was a profitable business and did not involve a serious diversion of effort on the part of top management. The fact that the company is now going through a difficult patch does not necessarily undermine this argument. Indeed, a sale at this stage might prevent BL from reaping the fruits of the investment made during the past two or three years.

But the break-up of Special Products last December suggests that the present management, under Mr. Michael Edwardes, had reached the conclusion that, with all their other pressing problems, BL would be better off without direct responsibility for a major construction equipment business, least of all a loss-making one. Thus the possibility of hiving-off Aveling Barford, either through an outright sale or in the form of a joint venture with another company, has been examined.

Does this apparent change of view within BL give the Government an opportunity to re-launch its plan to re-structure the British-owned sector of the industry?

There is not any doubt that Whitehall and the NEB would prefer a British solution to the problems of Aveling Barford. Although the multi-nationals which have plants in the UK do take part in the industrial strategy, there is a feeling that they could be less responsive to national considerations than are home-based companies.

An exception to this view might be taken, however, if some form of manufacturing/marketing collaboration with an international group could be arranged, especially if this would bring the manufacture of heavier equipment into the UK. Some interest along these lines has been expressed from Germany, while a joint venture between the Japanese manufacturer Komatsu and Aveling Barford, for example, could provide the right sort of product tie-up which the UK needs.

If the UK solution is on the cards, however, attention turns to the companies which might want, and could afford, to buy Aveling Barford. The price tag for the whole group is believed in the industry to be in the region of £30m (about £10m less than asset value), although this amount could be sweetened if the NEB was to take a stake; any purchaser is also likely to get a sympathetic hearing if he inquired about government selective aid.

Even so, the number of interested British-owned companies would be small. If the decision was taken that the group was to be split up and sold off, the list would be much longer. Many companies have expressed an interest in buying various parts of the group and if the splitting up could be arranged in such a way as to strengthen those parts, it might be a solution. But it usually happens in these cases that everybody is interested in the same parts, leaving others without a future.

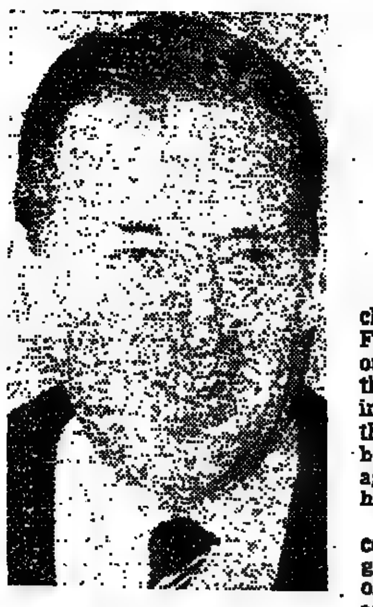
The companies which would want to take on the whole, or a large part, of the group will need sizeable resources. The largest British company which specialises in construction equipment is J. C. Bamford, a private company. Its turnover in 1978 was £105m, but profit figures are not released. The company is going through a period of adding new products to the backhoe loader on which its success was founded, and which still provides the bulk of its sales. It is also engaged in setting up a dealer network in the U.S. where it has decided after a couple of years of experimenting that it will market only the loader. Both the new products and the U.S. course are expensive, and it may well be JCB would not want to swallow such a big gulp as Aveling Barford.

The other big companies in the industry are parts of larger groups, and therefore may offer the best prospects for Aveling Barford in that they have the necessary resources. Two groups often mentioned in this context are: Acrow, which owns Coles Cranes—the biggest mobile crane company in Europe—and Priestman, making hydraulic excavators and cranes; and Babcock and Wilcox, whose construction equipment division's sales may have exceeded those of Aveling Barford last year. Powell Duffryn, which owns Hymac, the largest UK maker of hydraulic excavators, is not thought likely to want to expand its interests in the industry.

Aveling Barford's downturn is probably short term. Its problems have been encountered by many other companies in the industry, but it was unfortunate that at Aveling Barford they coincided with a period of heavy investment. The danger is that if BL holds on to it, however, it can only do so by cutting back and that could mean axeing some of the product lines which the British sector needs. This would be particularly unfortunate in an industry where there is some concern at the growing import penetration. For this reason, the best future for Aveling Barford is probably within a group which can allocate resources to it during the present trough, and build on its strengths when the market picks up.

INTERNATIONAL COMPANIES and FINANCE

Ford chief wants equity assurance for China link



Mr. Henry Ford II

BY JOHN WYLES IN NEW YORK

Mr. Philip Caldwell, vice-chairman and president of the Ford Motor Company, was cautiously optimistic yesterday about the prospects of Ford establishing a vehicle assembly plant in the People's Republic of China, but he affirmed that no specific agreement was yet close at hand.

Speaking at a breakfast Press conference here, Mr. Caldwell gave the first report on the state of contacts with the Chinese authorities since Mr. Henry Ford II escorted Chinese Vice-Premier Deng Xiaoping around the company's plant in Atlanta, Georgia, last month. Both Ford and General Motors are aggressively exploring possible opportunities in China, but Mr. Caldwell made it clear yesterday that Ford was looking for an equity stake in any project and assurances on profits.

"We are hearing the Chinese use terms like joint ventures, which to us means joint ownership. If these types of arrangements can come to fruition, then I think there is a real opportunity that something could happen, but, if not, the prospects are substantially less," he added.

Ford was not in the business of just supplying plants, and it wanted to provide cars and trucks for sale, said Mr. Caldwell. He recalled visiting China three years ago, and concluding that there was "nothing to suggest opportunities for a capitalist company like ours."

The changes since then could not have been predicted.

Giscard to press Ford on Lorraine plant

BY TERRY DODSWORTH IN PARIS

FRENCH PRESIDENT Valery Giscard d'Estaing is to meet Mr. Henry Ford II, the head of the world's second largest motor group, late next month in a bid to persuade the company to build its next large European assembly plant in the Lorraine region of eastern France.

The meeting will take place shortly before Ford announces the location of the plant, on which the company has been negotiating for several months with various European Governments.

A top-level Ford of Europe delegation has been in the Lorraine region this week holding talks with industrialists, trade unions and planning authorities. The traditional steel-making area is keen to attract new investment in the face of deep unemployment problems caused by the Government-backed plan to restructure the industry.

President Giscard's decision to throw his own personal weight behind the campaign to bring the plant to France introduces a new dimension into the tussle over where in Europe the project will be located.

Up until now, Austria has been regarded as the likely choice for the plant, which Ford regards as necessary to plug the shortfall in its Europ eanmedium-sized car capacity it feels would otherwise develop in 1982/83.

The Austrians are understood to be willing to back the plant with sizeable financial incentives, and Chancellor Bruno Kreisky has shown strong enthusiasm for the scheme.

Spain has already been approached by Ford on the question of hosting the site, but is now felt to be out of the running, because of the rather lukewarm response of the Spanish government. Expansion of Ford's plants in Germany was also at one stage under consideration.

The reason for the intervention of President Giscard is felt to be the French government's need to present a large job-producing project in Lorraine to dampen local tensions.

The Ford plant would produce about 8,000 jobs and create many more among component suppliers. This would plug a large part of the gap of 11,000 unemployed created by steel closures, which will not be compensated by other Government-backed job creation schemes.

Ford's general plan is for the projected plant to come on stream around 1981/82 with a capacity of some 1,000 cars a day. It would assemble the replacement Escort model, called the Erica, for which the engine will be made at Ford's new Bridgend plant in South Wales.

Record sales and earnings for CBS

BY OUR FINANCIAL STAFF

CBS INC increased its net profit by 12.2 per cent in the fourth quarter of 1978, to $56.5m, from $50.4m in the same period of the previous year.

This was a faster rate of growth than that for the full year—of 8.8 per cent, to $198.1m, from $182m in 1977. Sales and earnings were at record levels for both the fourth quarter and the year.

Revenue expanded more sharply than profits, gaining 16.5 per cent to $987.1m in the fourth quarter, from $847.2m, and 16.3 per cent on the year, to $3.29bn from $2.83bn.

CBS said that its publishing group was the largest contributor to its earnings growth in 1978, achieving a 45 per cent rise in profits.

The group's increased profits resulted from strong performances by the educational and consumer publishing divisions, and from a reduction of amortisation of costs associated with the 1977 purchase of Fawcett Publications.

The CBS Network division's profit increase was modest last year as a result of continued substantial investments in television programming and programme development.

The CBS records group's revenues rose by 20 per cent, while profits increased 12 per cent. The slower profits growth rate resulted from manufacturing cost increases associated with capacity limitations, a strike at domestic record plants, copyright royalty increase, and costs for expansion of the group's marketing operations.

Hopes dim for Amex success

By Our New York Correspondent

THE SHARES of McGraw-Hill fell sharply yesterday morning amid fading hopes that American Express might still persuade the publishing company to reconsider its opposition to a $40 a share "friendly" take-over.

In the past few days there had been hopes that investment bankers Allen and Co. would increase the pressure on the McGraw-Hill board to reconsider its decision by agreeing to lead a proxy fight by dissident shareholders

International Harvester sees rise in 1980

By Stewart Fleming in New York

International Harvester, one of the two leading manufacturers of agricultural equipment and trucks, is seeing a boom in sales and profits in its 1980 fiscal year.

The company reported yesterday that sales for the first quarter of its current financial year, which ended on January 31, had risen by 33 per cent to $1.6bn, and net income had increased from $10.5m or 32 cents a share to $58.7m or $1.91 a share.

The company said that at the end of its first quarter, the order backlog was $2bn compared with $1bn a year ago.

The sharp profits rebound in part reflects extraordinary items, but International Harvester makes it clear in its statement that improved trading conditions are also playing a part, and it says that it expects earnings and sales to continue showing gains through the fiscal year.

Last year's first quarter earnings were adversely affected by strikes at certain of its plants, and in addition the current first quarter reflects a $19m net gain from foreign currency transactions compared with a $3.9m loss in the same period of last year.

It notes, however, that a switch to the last in, first out (LIFO) method of accounting for stocks favourably affected last year's first quarter earnings, as restated, by $15.4m or 53 cents a share.

It claimed that earnings have benefited from increased volume of sales and a year-old cost-cutting effort. Analysts say that the company has been gaining market share against some of its rivals. It may well have profited from the difficulties experienced by one of its major competitors, Massey-Ferguson.

McDermott chief resigns

J. Ray McDermott and Company said Mr. C. L. Graves, the chairman and chief executive officer, has resigned for health reasons, reports Reuter from New Orleans.

The company said Mr. John D. Ritchie, an outside director, was elected chairman.

Strike knocked $30m from earnings at New York Times

BY OUR NEW YORK STAFF

LAST YEAR'S 108-day strike by printing workers appears to have cost the New York Times newspaper more than $30m of operating earnings and cut the parent company's 1978 earnings by 40 per cent.

The August-November strike by machine men threw the newspaper into a $12.3m operating loss for the year, compared with a profit of $17.68m, on revenues of $3.25m in 1977. The paper expects circulation to be back at pre-strike levels by the Spring, but said its Sunday sales would take a little longer to recover.

The New York Times Company also owns a number of magazines, broadcasting stations and small-city newspapers which managed to keep the company profitable during the strike. Fourth quarter net income amounted to $2.4m on sales of $115m compared with $7.9m and sales of $142.6m the year before.

Full year net income was $15.5m or $1.32 per share compared with $26.07m or $2.27 per share. Sales were $491.5m against $511m.

Most analysts are projecting a strong recovery for the New York Times in the coming year, and are predicting 1979 earnings of around $3.10 per share. Diversification policies reduced the company's dependence on the New York Times to 34 per cent of net income in 1977, but a significant improvement in profit margins at the newspaper over the next few years is expected to maintain it as a strong contributor. The settlement which ended last year's strike is not expected to yield any substantial productivity increases this year, but its longer term impact on press room manning levels is thought likely to dampen down labour cost increases.

Upturn in last quarter boosts Goodrich profits

BY OUR FINANCIAL STAFF

FORECASTS of a sharp increase in earnings at B. F. Goodrich, the tyre, chemicals and industrial products group, are amply borne out by the announcement that net earnings for 1978 were 17.8 per cent higher at $70.1m, with share earnings up from $3.95 to $4.39. Sales of $2.6bn compared with $2.4bn previously.

A significant upturn in the final quarter boosted the final figure. For the quarter, net earnings leapt from $5.9m to $20.3m, with share earnings of $1.20 against 37 cents. At $682m, sales contrasted with $577.3m.

Goodyear announced yesterday that it will redeem its SwFr 80m loan of 6 per cent repayable 1973 to 1988 prematurely at 103 per cent on May 15.

Comenting on the 1978 results, the tyre group said that the latest figures include a $11.6m reduction in operating income from discontinuance of the company's skid control manufacturing operations, closure of a residential vinyl wall covering plant and also of isoprene and polyisoprene facilities.

The 1978 figures include a gain of 28 cents a share from the sale of a portion of holdings in the Yokahama Rubber Co.

Meanwhile, our New York staff writes: Price increases and strong dealer demand for snow tyres helped the Goodyear Tire and Rubber Company to a strong 69 per cent increase in fourth quarter earnings. The impressive last quarter performance gave a little shine to an uninspired year for the world's largest rubber manufacturer, whose 1978 earnings rose a modest 9.8 per cent on the year before. The overall figures masked, however, a robust recovery by some of the company's foreign operations, whose earnings rose 80 per cent to $62.2m, despite foreign currency translation losses of $53.3m.

Mr. Charles Pilliod, the company's chairman, made special reference in his comments to earnings gains in Africa, Asia and Latin America, which, he said, more than compensated for disappointing results in the European region which were due largely to losses in England and Scotland.

EUROBONDS

U.S. power company seeks $50m loan

By John Evans

EURODOLLAR BONDS were in early retreat in international markets yesterday as a second new U.S. offering was announced. A slightly lower level in Eurodollar interbank interest rates helped bond prices to recover later, however.

Portland General Electric plans to offer a $50m five-year note issue bearing 10 per cent annually through a syndicate led by Dean Witter International. The bonds would be priced at an "appropriate discount" before the offering date on February 23, the manager said.

The issue is guaranteed by Portland General Electric Company, whose senior secured U.S. debt is "BBB" rated.

The other new offering, the $200m from Dow Chemical, received a subdued response in some market quarters, although the managers indicated a good demand for the first day's business. Reportedly, the offering was available in primary transactions at less 1[illegible] 1[illegible] versus the full selling group reallowance of less 1½ per cent.

Elsewhere, the Hudson's Bay $50m bond performed strongly, with the managers moving their price to 100½ and a general market quotation of 99[illegible] 100[illegible].

The Deutsche-mark foreign issue sector was generally quiet, with German money markets assessing terms of the new Carter notes offering.

The maturities of the 2½ and 3½-year offerings of schuldscheine (promissory notes), both at par, are shorter than the three-year and four-year notes floated by the U.S. last December, in order to ensure a good reception.

In Swiss francs, the two tranches of the Norges Kommunalbank's SwFr 150m bond will carry coupons of 3[illegible] per cent and 3½ per cent respectively, according to manager Banque Gutzwiller Kurz Bungener. The first SwFr 75m portion with a 12-year term will be priced at 99½, while the other tranche for 15 years at 3½ per cent is priced at par.

Final terms of the Copenhagen Telephone Company's LuxFr 50m bond, due 1989, include a coupon of 8½ per cent and pricing of par.

Conrail appointment

Mr. Stuart M. Reed, group vice-president of operations at American Motors Corporation, has been appointed president and chief operating officer of Consolidated Rail Corporation.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on February 14

U.S. DOLLAR STRAIGHTS

Issue	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

DEUTSCHE MARK STRAIGHTS

Issue	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

SWISS FRANC STRAIGHTS

Issue	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

YEN STRAIGHTS

Issue	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

OTHER STRAIGHTS

Issue	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

FLOATING RATE NOTES

Issue	Spread	Bid	Offer	C.dte	C.cpn	C.yld
[illegible]						

CONVERTIBLE BONDS

Issue	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]						
Tokyo Elec. 3½ 87 DM	4/79	476	91¼	92¼	−0¼	3.98
Trio-Knwd. 3½ 86 DM	11/78	711	86¾	87¾	0	12.57

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=Minimum coupon. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

LEVI STRAUSS

Another record year ahead

BY MAURICE IRVINE IN SAN FRANCISCO

ANOTHER RECORD year for Levi Strauss and Company has been predicted by Mr. Walter Haas Jr., the chairman of the denim trousers manufacturer.

Speaking from his San Francisco headquarters, where blue denim covers the lobby walls, he described the possibility of still more record profits as being "nothing unusual for us, you know."

Indeed, in an industry notoriously unpredictable and subject to changing trends, Levi Strauss continues to mark up growth rates almost unmatched in the U.S. Last year's sales reached $1.7bn, while net income rose from $130m in 1977 or $5.87 a share to $145m, or $6.56 a share in 1978. Sales internationally increased sharply, to 35 per cent of the total, rising from $487m in 1977 to $600m last year. The profit improvement internationally continued a five-year upward trend.

Over the past decade, sales have risen at an annual 24 per cent rate, with return on investment growing at an average 31 per cent a year. Blue jeans remains the company's mainstay, despite successful expansion into shirts, shoes and many other clothing items. What lies behind Levi Strauss's success?

Mr. Haas would say: A well-run company marketing a durable and reliable product, what else?

But that does not quite explain the Levi mystique.

Levi's have become a world symbol of U.S. culture.

Such is their fame that the brand name has entered most American dictionaries—a pair hangs in the Smithsonian Institute—and trucks carrying them have been hijacked by rag-trade bandits.

In the UK, some 40m pairs were sold in 1978, a company official said, adding: "I believe that makes jeans bigger sellers in Britain than conventional trousers."

Levis have changed little in the past century. The company has its roots in the Californian Gold Rush days, when 20-year-old Levi Strauss, a Bavarian immigrant, discovered that miners did not need the tents he hoped to sell and used the canvas to make pants—which everyone needed.

A family tradition, and a fortune, was founded. Levi Strauss's nephews carried on the business. When they retired,

Levi Strauss's major problems these days are piracy and theft of their distinctive jeans. Last year, the company spent $500,000 on fighting the multi-million dollar counterfeiting business. The FBI, in fact, ranks jeans-stealing right behind the hijacking of liquor and cigarettes shipments.

Mr. Walter A. Haas Sr. son-in-law of one nephew, took charge. Today, Mr. Haas Sr. who will be 90 in May, still serves as a director of the board and honorary chairman, making three or four weekly appearances at the company's high-rise headquarters. The Haas family owns 50 per cent of the stock—publicly traded since 1971.

The popularity of Levis owes something to Hollywood cowboy films—but more, perhaps, to careful study of the clothing market.

Diversification of product began after the Second World War, with emphasis placed on attracting the youth market. Today, Levi Strauss representatives routinely visit colleges, football games and California and Florida beaches to check on teenage tastes. Schools prohibiting Levis as classroom wear receive polite suggestions from San Francisco urging a change in policy.

The company's explosive growth led to problems in 1973. Management errors by inexperienced young executives handling runaway sales in Europe resulted in a sharp fall in that year's earnings. But Levi Strauss made a speedy comeback, with new marketing and financial experts at the European helm. In 1974, earnings leaped ahead by 139 per cent over the previous year.

The company's major problems these days are piracy and theft.

"Counterfeiting Levi jeans is a multi-million dollar business," says Mr. Tom Nagle, head of corporate security. "We spend $500,000 a year fighting the fakers."

In the U.S., the FBI says, Levi jeans rank third after liquor and cigarettes as the most frequently hijacked commodity in the country.

For the future, the company is hoping to increase still further its share of the international jeans market, which remains well below U.S. penetration. Other growth opportunities exist in the new womenswear division, the "activewear" division—tennis, jogging, ski outfits and the like—and in the marketing of the Levi name, already being used successfully on wallets, socks, briefcases and other items.

As a result of a strong cash flow, Levi Strauss can expand without incurring debt.

It is putting its cash to work in a variety of ways, including a highly expanded advertising budget.

AMERICAN QUARTERLIES

ANHEUSER-BUSCH

Fourth quarter	1978 $	1977 $
Revenue	660.6m	524.8m
Net profits	18.89m	16.68m
Net per share	0.42	0.37
Year		
Revenue	2.7bn	2.23bn
Net profits	111.04m	91.95m
Net per share	2.46	2.04

BENEFICIAL CORPORATION

Fourth quarter	1978 $	1977 $
Net profits	23.4m	16.3m
Net per share	1.00	0.67
Year		
Net profits	98.3m	85.7m
Net per share	4.19	3.64

CHARTER CORPORATION

Fourth quarter	1977 $	1978 $
Revenue	589.2m	400.9m
Net profits	10.0m	7.2m
Net per share	0.46	0.34
Year		
Revenue	2.05bn	1.48bn
Net profits	23.2m	19.9m
Net per share	1.09	0.94

CURTISS-WRIGHT

Fourth quarter	1978 $	1977 $
Revenue	94.0m	79.3m
Net profits	5.08m	3.6m
Net per share	0.60	0.43
Year		
Revenue	328.7m	323.1m
Net profits	16.6m	16.3m
Net per share	1.96	1.91

GENERAL AMERICAN

Fourth quarter	1978 $	1977 $
Revenue	27.1m	21.6m
Net profits	9.1m	5.4m
Net per share	0.65	0.38
Six months		
Revenue	71.2m	59.4m
Net profits	15.7m	10.6m
Net per share	1.11	0.75

GENSTAR

Fourth quarter	1978 $	1977 $
Revenue	367.0m	290.0m
Net profits	29.9m	17.0m
Net per share	2.13	1.31
Year		
Revenue	1.14bn	981.1m
Net profits	81.6m	64.4m
Net per share	6.03	5.26

MAREMONT

Fourth quarter	1978 $	1977 $
Revenue	76.5m	67.4m
Net profits	2.1m	690,000
Net per share	0.53	0.16
Year		
Revenue	338.2m	317.5m
Net profits	14.1m	10.7m
Net per share	3.43	2.61

J. RAY McDERMOTT

Third quarter	1978 $	1977 $
Revenue	800.2m	448.9m
Net profits	34.7m	49.8m
Net per share	0.79	1.54
Nine months		
Revenue	2.34bn	1.07bn
Net profits	122.5m	142.0m
Net per share	2.82	4.39

PACIFIC LUMBER

Fourth quarter	1978 $	1977 $
Revenue	54.5m	42.3m
Net profits	8.6m	7.3m
Net per share	0.72	0.60
Year		
Revenue	213.5m	173.1m
Net profits	41.1m	32.8m
Net per share	3.41	2.71

SIMMONS COMPANY

Fourth quarter	1978 $	1977 $
Revenue	137.2m	124.9m
Net profits	987,000	1.6m
Net per share	0.14	0.23
Year		
Revenue	511.1m	468.3m
Net profits	4.14m	7.54m
Net per share	0.56	1.36

TRW INCORPORATED

Fourth quarter	1978 $	1977 $
Revenue	1.03bn	864.1m
Net profits	49.3m	43.6m
Net per share	1.33	1.19
Year		
Revenue	3.78bn	3.26bn
Net profits	174.2m	154.2m
Net per share	4.73	4.21

WESTERN PACIFIC

Year	1978 $	1977 $
Revenue	148.3m	123.2m
Net profits	18.0m	19.9m
Net per share	5.73	3.43

INTL. COMPANIES and FINANCE

CONSUMER CREDIT

Nudging the thrifty Swiss into debt

BY BRIJ KHINDARIA IN GENEVA

THE RECENT acquisition by the Swiss Bank Corporation of a large consumer credit bank is another demonstration that Switzerland's big bankers have decided that the frugal Swiss consumer should be nudged further towards living in debt for the sake of national and banking industry prosperity.

After several years of boom that have pushed the country's banks to the top of the Swiss earnings league, the prospects this year are for a slowdown marked by higher risks. To forestall the onset of difficult times and prepare their defences, all the main banks have entered strongly into the consumer credit field, despite ingrained Swiss reluctance to buy anything on credit.

The Swiss Bank Corporation has recently purchased Procredit, a successful consumer credit bank, to add to Finalba which is already in its stable. The Union Bank of Switzerland owns Orca and Aufina, while Credit Suisse, the third largest Swiss bank, also handles consumer credit.

Heavy publicity to sell low interest loans, which has begun to pay dividends for the banks, is now threatened by Consumer Association campaigns warning people against taking lenders' claims at face value, and by a new draft law to regulate consumer instalment credit. A Swiss television programme recently warned potential borrowers to go through their sums carefully before signing on the dotted line.

The new draft law on consumer instalment credit is seen by banks as being another government attempt to bring in a maze of rules through the back door to curb bankers' freedoms. Ironically, the original drive for the law came from the bankers themselves, albeit from small consumer credit operators who are now being swallowed up by the big banks. The aim at that time was to obtain measures to pursue borrowers who defaulted on payments and thus assure survival as independent operators.

The draft law's thrust is still the same, but its scope has widened considerably. The Swiss government's intention is to replace differing Cantonal regulations concerning personal loans by a uniform Federal law, to protect bankers interests while providing the greater protection against intimidation sought by consumers organisations.

According to the banks, the draft, published for public consideration late last year, meets the needs neither of the consumers nor of the banks. Instead, it will interfere with the bank's right to conclude contracts with borrowers, and curtail the freedom of individual citizens to take personal decisions regarding expenditure and borrowing.

New laws on consumer credit are being proposed at a time when Swiss banks are expanding in that field. Ironically, the original drive for controls came from small banks themselves for their own protection against defaulters but a possible widening of the scope of regulations is now seen as a threat by the big banks to their freedom to arrange personal loans

Among other things the draft stipulates stricter conditions for repayment, a reduction of the maximum life of consumer loans to 18 months, a ban on additional credits and on raising the amount of existing credit, and cancellation of the debt after the maximum loan has expired.

The banks say that these provisions protect the consumer mainly against his own imprudence or folly rather than against the arbitrary actions of creditors. The fact is that out of the almost 600,000 persons, from a total population of about 8m, who have taken out personal loans, only a handful fail to meet their repayment obligations primptly.

The bank's opposition to the new legislation is based on genuine concern that the time has come for Switzerland to move more quickly towards a credit economy to boost consumption levels for the sake of national prosperity. They are also keenly aware that an expanding money market at home is essential if they are to safeguard their growing international operations.

They point out that the volume of consumer instalment credit in Switzerland is far below the European average. The amount of credit outstanding per head of the population amounted to SwFr 365 at the end of 1977, compared to SwFr 575 in Holland and SwFr 1,998 in the U.S. Consumer credit amounted to only 2.5 per cent of total private consumption in Switzerland last year, compared to 6 per cent in the U.S.

The prohibition, contained in the existing draft law, to giving an additional loan to the borrower or extending an existing credit is criticised by the banks as harmful to both the consumer and the banker. The provision will, in effect, prevent a creditworthy consumer from maintaining indebtedness in keeping with his financial circumstances if he happens to have an existing loan, even if the remaining repayments are very small.

The limitation of credit maturity to 18 months will result in higher monthly repayments and could make it almost impossible for low and medium income earners to finance major purchases through borrowing.

Another provision withdraws permission from the bank to extend the repayment period, thus encroaching on the banker's freedom to judge what is best under the particular circumstances. The banks claim that they would be forced to resort to debt collectors, since waiving the debt would be out of the question. On the other hand, the law as it is framed would protect borrowers who deliberately go slow in repaying their loans.

The banks, together with other large credit institutions, are arguing for a less draconian law. In exchange they have told the government that they are willing to develop a standard lending contract and accept new provisions designed to end the assignment of wages or salaries to lending institutions. The banks also want mandatory insurance for residual debt in case of default because of sickness, disability or death.

To prevent misbehaviour by small and independent lenders, the banks are demanding the establishment of mandatory membership in a central credit bureau of lenders. Such a credit bureau, based on voluntary membership, already exists.

The banks' campaign is being eyed with some scepticism by both government and small lenders who think that the three big banks, which control large chunks of the Swiss economy, are merely trying to protect their share of a growing market by making it more difficult for new lenders to break in.

Early skirmishing has begun and the signs are that a slanging match—even by Swiss standards—could develop later this year if the analysis of the draft law by consumer protection associations turns out to be significantly different form that of the banks.

Amro Bank profits up sharply

By Charles Batchelor in Amsterdam

Amsterdam-Rotterdam Bank, first Dutch bank to announce its 1978 figures, reported a further large increase in profits. It also proposes raising its dividend payment, part of which may be taken in the form of shares.

Net profits rose by 19.2 per cent to Fl 253.2m ($127m) last year, following a 15.3 per cent increase in 1977. It proposes paying a final dividend of Fl 2.60 per Fl 30 nominal share compared with Fl 2.50 in 1977. This brings the total 1978 dividend to Fl 5 from Fl 4.70.

Shareholders may take the final payment fully in cash or as Fl 1.35 in cash and Fl 0.05 in shares charged to the tax free share premium reserves. Amro, Holland's third largest banking group, said its consolidated balance sheet total went up by 22.1 per cent to Fl 72.6bn ($36bn) compared with an 18.8 per cent rise the year before.

Total income rose by 13.1 per cent to Fl 2.01bn while expenses, including depreciation, rose 9.8 per cent to Fl 1.42bn. Gross profit, therefore, rose 22.1 per cent to Fl 589.2m compared with an increase of 16.2 per cent in 1977.

Amro transferred Fl 155m to its general reserve against Fl 117.5m the year before. The number of ordinary shares rose by 12.8 per cent, leading to an increase in net profit per share of 10.1 per cent, when new shares issued are taken into account.

German-Nordic bank shows rapid growth

BY GUY HAWTIN IN FRANKFURT

DEUTSCH-SKANDINAVISCHE Bank—still less than three years old—appears to be establishing itself already as an important force in German-Nordic banking business. Its report on 1978, only its second full business year, shows further rapid growth in its total assets and loan portfolio.

Deutsch-Skandinavische, a jointly-owned subsidiary of the Bayerische Landesbank Girozentrale and the Skandinaviska Enskilda Bank, has been described as a marriage of convenience between one of West Germany's largest public authority-owned banks and the Nordic countries' largest commercial bank.

Last year, the bank's total assets rose by 32 per cent to DM 1.36bn. This was less than the previous year's 68 per cent expansion in balance sheet total, but even so growth was substantial considering that some consolidation was to be expected in a third year of operation. At the end of its "rump" 1976 business year, total assets amounted to some DM 609m ($327m).

Its loan portfolio grew far more strongly than total assets, increasing by 37 per cent to DM 766m. Here, the rate of increase was well above the previous year's 29 per cent.

Some 65 per cent of the credit volume is accounted for by Scandinavian customers or Scandinavian-owned companies operating in West Germany.

Profits before tax and depreciation totalled DM 9.1m against DM 5.2m in 1977 and DM 3.2m in 1976. Pre-tax profits were up from DM 1.6m to DM 5.2m ($2.8m) while the net increased from DM 348,000 to DM 1.6m.

Danish bank lifts earnings

By Our Nordic Editor

COPENHAGEN — Handelsbank yesterday declared a 1978 profit before taxes and adjustments for changes in the market values of securities of DKr 272.9m ($52.8m), almost DKr 17m ahead of the 1977 result. The board proposes to pay shareholders an unchanged dividend of 12 per cent, making a total payment of DKr 108m.

The bank turned in second-half earnings of DKr 92.5m compared with DKr 180.4m for the first half and DKr 110.8m for the second half of 1977. It thus failed to maintain the rate of profit growth recorded in the first six months.

Professor Bernard Gomard, the chairman of the board, described 1978 as a satisfactory year, in which Handelsbank had expanded its international business. He added, however, that the bank had to "be given the possibility of making sufficient profits to allow for adequate consolidation."

After adjusting for gains in the market values of securities and for taxes, Handelsbank shows a net profit of DKr 265.7m for 1978, an increase of DKr 47.5m. The board proposes to increase the reserves by DKr 161m.

The reserves now stand at DKr 1.35bn, corresponding to 158 per cent of the share capital.

COBEPA dividend higher

BY GILES MERRITT IN BRUSSELS

COBEPA, the Belgian financial arm of the French Paribas banking group, said it will raise its dividend on increased profits. At its March 20 annual general meeting the Compagnie Belge de Participations Paribas is to propose a BFr 60 dividend per share for 1978 against BFr 55 for 1977.

COBEPA said its net profits for last year reached BFr 235.2m ($8m), up from the 1977 level of BFr 230.4m. The company also reported that its investment portfolio is currently estimated at BFr 5.9bn, giving COBEPA shareholders BFr 2,200 worth per share.

Record early redemptions on Swiss market

THE VOLUME of premature redemptions on the Swiss capital market will reach a record level during the first quarter of this year.

The Zurich Stock Exchange puts the total number of issues repayable before maturity at 81 for the period, with their combined nominal value amounting to as much as SwFr 3.26bn ($1.9bn). Of these, 21 issues totalling SwFr 1.13bn will be accounted for by foreign borrowers, and a further three, worth SwFr 86m by Swiss subsidiaries of foreign companies.

The 57 domestic issues due for premature redemption are valued at SwFr 2.04bn, or substantially more than the SwFr 1.13bn of new funds to be raised in the quarter by domestic floats other than re-financing issues.

With regard to foreign issues, the redemptions will be partially offset by new bonds, no indication of whose value is as yet available. Particularly important will be the issue of Carter bonds, likely to amount to SwFr 2bn but to be issued outside the normal public bond market.

No estimate can yet be made as to new issues and repayments in the field of private placements.

French engineer's sales slip

BY TERRY DODSWORTH IN PARIS

ALSTHOM-ATLANTIQUE, the French shipbuilding and heavy engineering group, suffered a sharp fall in turnover last year according to inflation-adjusted figures issued yesterday.

Consolidated group sales dropped to Fr 9.57bn ($2.23bn) from Fr 9.71bn in the previous year, while the main operating company's turnover fell from Fr 6.7bn to Fr 6.3bn.

Alsthom-Atlantique says that on the basis of traditional accounting methods the company sales would have gone up by 1.5 per cent compared with 1977 and the group's by 4.5 per cent.

The figures take into account the absorption of two turbine manufacturing companies, SOGET and CEGAT, which followed the reorganisation of this industry about two years ago. They also include the results of AMAN, a manufacturer of generating sets, and of CGMS, an administration and stock management company which has been taken over recently.

The breakdown of the company turnover allocates Fr 2.2bn to the shipbuilding interests (against Fr 2.3bn in the previous year), and Fr 4bn to the engineering division (against Fr 4.4bn).

Meanwhile, Thomson-Brandt, the wide-ranging French electrical, armaments and telecommunications concern raised its consolidated sales in 1978 by 15.9 per cent from FFr 19.7bn to FFr 22.8bn ($5.3bn).

The company says that the result was strongly affected by a sharp improvement in the last quarter in comparison with the first nine months of the year, and with the same period last year. About 37 per cent of sales were overseas, of which 79 per cent were exports, representing Fr 8.4bn.

Turnover was highest in the electronics division, which accounted for Fr 11.6bn, followed by consumer durables (Fr 5.4bn), medical activities (Fr 2.4bn), electro-mechanical equipment (Fr 1.9bn), lighting (Fr 970m), and engineering (Fr 530m).

Swiss building group expects to pass dividend

BY JOHN WICKS IN ZURICH

SWITZERLAND'S leading construction company, the Berne-based Losinger AG, expects it will have to pass its dividend payment again for 1978.

Although results from foreign business are said, in an interim report to shareholders, to have been good, profits in Switzerland itself remained unsatisfactory as a result of continued pressure on prices.

Overall earnings are expected to be higher than the minimal level of SwFr 40,000 booked for 1977, but are still unsatisfactory.

Total sales of the Losinger group are put at some SwFr 500m ($303m) for 1978, or slightly more than that of some SwFr 490m reported for each of the two preceding years. Contracts outside Switzerland accounted for 40 per cent of this sum. The value of new orders received last year was down from SwFr 519m to some SwFr 450m, with domestic orders, rather below and those from abroad above expectations.

Decline in turnover at IBM Germany

STUTTGART — Turnover of IBM Deutschland, from its leasing, sales and services business in 1978, totalled DM 6.32bn ($3.4bn), down slightly from the DM 6.38bn of 1977, the West German offshoot of International Business Machines Corporation of the U.S. reported here.

Included in the total revenue is turnover of DM 1.94bn between the West German IBM offshoot and IBM subsidiaries abroad, a little more than the DM 1.91bn in the preceding year.

AP-DJ

Nitto Tire in rescue pact by Toyo Rubber

By Yoko Shibata in Tokyo

NITTO TIRE, the deficit-ridden sixth largest automobile tyre manufacturer in Japan, announced yesterday that it has reached agreement with Toyo Rubber Industry, the third largest manufacturer, in a wide-ranging reorganisation of business activities including capital, production, sales and technology, as a measure aimed at meeting a bleak financial outlook.

As a result of setbacks in exports caused by the sharp appreciation of the yen and weak demand for new and replacement tyres, Nitto Tire's cumulative deficit was running as high as Y6bn ($30m) at the end of December, and it had become inevitable that deficits would exceed its assets. The tie-up request to Toyo Rubber was made by Mitsubishi Chemical, a major shareholder of Nitto Tire which has been conducting the financial reconstruction of the company.

Under the tie-up agreement Nitto Tire will shift its sales division to a newly established company, Nitto Tire Sales Company, and will establish a joint distribution system with Toyo Rubber in an effort to reduce operating costs; Toyo Tire will expand tyre production at Nitto Tire from the present monthly volume of 300 tons; and Toyo Rubber will extend technical guidance to Nitto Tire, which is to cancel the existing technical tie-up contract with Yokohama Rubber.

At the business tie-up with Toyo Rubber, Nitto Tire, itself maps out its own rationalisation measures, which were disclosed yesterday on the Tokyo Stock Exchange. Under the rationalisation plan, Nitto will increase its capital by third-party allotment as soon as possible, and then reduce it by 60 per cent in May, in order to eliminate Y6bn of cumulative deficits.

Funds raised by capital increase are expected to be Y2.5bn-Y3bn. Shares are to be allotted to the Mitsubishi group, headed by Mitsubishi Chemical Company. Toyo Rubber will participate in the capital of Nitto Tire after its 60 per cent reduction in May in the form of stock transfer.

Advance at Associated Pulp and Paper Mills

BY OUR SYDNEY CORRESPONDENT

THE FORTUNES of Australia's giant fine paper manufacturer, Associated Pulp and Paper Mills, have improved strongly in the last six months, with the company yesterday reporting a sharp jump in earnings, a scrip issue and a A$30m revaluation of assets.

The interim net profit has been boosted by 77.8 per cent, from A$4.37m to almost A$7.78m (US$8.8m) on a sales increase of only 19.1 per cent to A$111.6m (US$127m). The directors said that this reflected "the increasing benefits from management and structural reorganisation started four years ago, together with substantial gains flowing from cost control and rationalisation moves."

As a result of the company's better showing, the Board is proposing a one-for-four scrip issue to be paid on March 22. The larger profit also brings a sizeable jump in dividend income, with the interim entitlement being boosted from 4.50 cents to 8 cents a share. This also carries the directors' prediction that the final payout for the current 1978-79 financial year will yield at least an 8 cents final, making the total payout at least 16 cents against 12 cents a year earlier.

The bonus issues follows a revaluation of assets at the company's Burnie Pulp and Paper Mill, in Tasmania, by A$30m to bring them up to "more appropriate values."

The directors also said that they were contemplating reopening the No. 1 machine at the Burnie mill after the successful recommissioning of the No. 3 machine last year.

APPM's results for the interim period continues the company's recovery of the last few years, which again reflects its ability to streamline activities. The directors said they were surprised by the suddenness of demand which had become evident, despite the fact that there was no shortage of supplies of fine paper to the Australian market and that imports were still running at record levels.

The decision in November 1977 to spend A$30m on the Burnie Mill expansion was now justified, the directors commented. "The expansion was an expression by the directors of their confidence in the continuing economic recovery which they anticipated would commence in 1978. The company's results reflect some measure of that improvement.

"Directors are confident that this cycle of economic recovery will continue in 1979, and expect that the APPM profits for the current financial year will show commensurate improvement."

The Burnie expansion project is on schedule, it is confirmed, and should be ready for full production before June 30.

Pointing to the better times evident, the directors said that even the depressed Australian building industry was showing some slight improvement, giving the indication that this year would be better for consumption of timber and related industries.

APPM's managing director, Mr. Wilfred Thornton, said that woodchip sales to Japan were going well, but had naturally been cut back because of the reduction of paper production in that country.

The company was still renegotiating contracts and prices twice yearly, and consulting regularly with Japanese buyers, especially on the subject of long-term orders.

Food group may go Australian

BY OUR SYDNEY CORRESPONDENT

AMATIL LIMITED, the Australian food and tobacco group, is seeking to become a naturalised company under the country's revised foreign guidelines policy. At present, the company is tagged "foreign" because of the 42 per cent equity stake held by BAT Industries of the UK.

In Amatil's annual report yesterday, directors said they had noted that such naturalised companies "may undertake new projects without the reference, in certain situations, to the Foreign Investment Review Board."

Directors told shareholders that the Board had decided to change the articles of association so as to be in line with the Federal Government's guidelines.

In most instances, Amatil is already in accord with Government wishes in that the majority of shares are already in Australian hands and the Board is controlled by Australian directors. (In fact the Board is all Australian.)

However, the articles of association do not contain any specific provision requiring the majority of directors to be Australian citizens. Therefore, a special resolution will be put to the annual meeting on March 8 to amend this.

The only other company to travel along the naturalised path is Conzinc Riotinto of Australia which has given an undertaking to the Government to bring up Australian equity to 51 per cent within a reasonable time frame.

This could easily be brought about by RTZ of the UK, the parent company, which holds 72 per cent of CRA's capital, not taking up its entitlement to any further CRA share issues. The Federal Government has thus deemed CRA as an Australian company as it meets all other criteria.

In the case of Amatil, directors believe that as CRA has no set timetable for its changeover to higher Australian equity then Amatil will be the first company to be truly naturalised under the new guidelines.

They may find their own timetable upset on this point as it is known that CRA's honorary tag was only given after extensive consultation with the government. Amatil may find itself in the same situation and several trips to Canberra seem certain before Amatil can make the transition to an Australian company.

Anglovaal subsidiaries improve

BY JIM JONES IN JOHANNESBURG

FOLLOWING THE major earnings improvement reported by Anglovaal Group's subsidiary, Irvin and Johnson, a fortnight ago, other group food and engineering operations report improved results for their half years to December 31.

Tea and coffee distributor T. W. Becket, 43 per cent indirectly owned by Anglo-Transvaal Industries, reports increased volume sales during the period with an 11.9 per cent turnover rise to R30m ($35.7m). Pre-tax profits rose by 64 per cent to R2.45m.

The first half's 24 cents per share earnings are expected to be matched in the second half, compared with earnings of 37 cents for the year ended June 30, 1978.

The improved position was attributed to more stable conditions in the tea and coffee commodity market.

Steelmetal's, ATI's 71 per cent directly-owned engineering equipment distribution subsidiary, experienced a turnover decline to R11.9m from R12.7m.

However, better profit margins and stringent cost controls, led to a first-half net profit of R390,000

With a major contract due for completion in the second half, operating profits is expected to improve on last year's R1.01m total. National Bolts, a 64 per cent-owned ATI subsidiary, which manufactures bolts and industrial fasteners, was affected by increasingly tight prices for standard fasteners. Centralisation of operations lowered the company's cost structure to the extent that net profit rose by 33 per cent to R823,000 from R615,000 on a 19.4 per cent turnover increase to R18.2m.

Consolidated Glass, a 55 per cent-owned subsidiary, reports a first-half turnover rise of 14 per cent to R45.2m and a pre-tax profit of R6.6m compared to R4.4m.

The normal second-half seasonal demand downturn for glass products is expected to lead to lower per share earnings than the 65 cents of the first half.

Modest increase at Calan

By Our Johannesburg Correspondent

CALAN, the South African plastics, lighting, rubber and electrical equipment conglomerate, has reported a modest increase in profits for the six months to December 31. Annual turnover was R140m ($164m).

On turnover increased by 16.3 per cent to R72.3m ($84.6m), from R62.1m in the second half of 1977, pre-tax income rose by 4.2 per cent to R3.53m ($4.1m) from R3.39m, and earnings per share by 9.1 per cent to 37.1 cents, from 34.0 cents.

The main area of difficulty was the group's tyremarketing arm, Natyre. This was caught in a price squeeze with the abolition of retail price maintenance on tyres.

On the other hand, Lascon Lighting Industries, formed by a merger of the group's own lighting operations with those of Consolidated Lighting during the first half-year, reported above-budget

Calan has declared an unchanged 9 cents interim dividend, on a yield of 9.7 per cent.

WestLB gains Hong Kong banking licence

By Anthony Rowley in Hong Kong

WESTDEUTSCHE Landesbank Girozentrale (WestLB), one of West Germany's largest banks, has been granted a licence to open a wholesale banking branch in Hong Kong.

The German bank is the latest in a line of foreign banks to be given licences for wholesale banking (as deposit-taking companies) or for full-branch banking since the relaxation of the Colony's banking laws was announced last year.

WestLB already has a wholly-owned merchant banking subsidiary in Hong Kong—WestLB Asia—which yesterday announced consolidated after-tax profits of HK$10.1m (U.S.$2.1m) compared with HK$4.5m in 1977. Its total assets grew during the year by 131 per cent to HK$1.2bn (U.S.$250m). WestLB's total assets at December 31, 1977 were DM82.75bn (U.S.$44.5bn).

Earnings up at meat company

By Dai Hayward in Wellington

ONE OF THE leading New Zealand meat companies which kills and processes lamb for Britain—Waitaki NZ Refrigerating—has increased its tax-paid profits from NZ$7.5m to NZ$8.2m (U.S.$8.7m).

Improved efficiency at four of the company's nine meat processing works set new killing and processing records.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1977							
4th qtr.	105.8	101.9	100	104.7	239.6	1,431	157
1978							
1st qtr.	106.9	102.1	99	106.4	246.4	1,409	186
2nd qtr.	110.9	104.7	97	107.9	254.4	1,367	213
3rd qtr.	111.2	104.9	103	110.7	266.6	1,380	213
4th qtr.	109.9	102.7		111.5	272.5	1,340	230
August	111.7	105.5	101	111.7	269.2	1,392	209
Sept.	110.5	104.2	109	109.6	265.9	1,378	219
Oct.	108.9	102.1	103	110.2	267.9	1,360	228
Nov.	109.6	102.5		110.5	269.7	1,339	231
Dec.	111.3	103.6		113.8	279.8	1,321	231
1979							
Jan.				105.5		1,339	236

OUTPUT—By market sector: consumer goods investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1977							
4th qtr.	104.9	97.1	114.3	98.2	95.4	100.2	20.7
1978							
1st qtr.	105.2	99.1	116.1	100.0	95.0	97.8	17.8
2nd qtr.	107.8	98.6	122.6	100.0	107.8	101.0	27.1
3rd qtr.	107.2	100.2	123.3	101.0	101.6	102.8	22.9
4th qtr.	106.3	96.5	123.0	96.0	97.5	100.6	20.6
August	109.0	101.0	123.0	103.0	92.0	104.0	20.3
Sept.	107.0	99.0	123.0	99.0	100.0	101.0	25.1
Oct.	105.0	96.0	121.0	96.0	98.0	100.0	24.5
Nov.	106.0	96.0	123.0	95.0	93.0	102.0	20.7
Dec.	107.0	98.0	125.0	98.0	101.0	101.0	16.7

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1977							
4th qtr.	117.3	102.4	−16	+580	−659	102.4	20.39
1978							
1st qtr.	118.5	113.8	−590	−361	−620	105.4	20.63
2nd qtr.	122.2	110.0	−173	+135	−414	104.5	16.75
3rd qtr.	124.9	114.4	−365	−49	−501	105.7	16.55
4th qtr.	125.1	112.8	−1	+359	−480	106.7	15.77
Sept.	124.4	119.5	−216	−111	−179	106.3	16.51
Oct.	125.9	111.3	+40	+160	−135	106.0	15.97
Nov.	122.6	114.1	−108	+12	−162	107.3	15.67
Dec.	126.7	113.0	+67	+187	−183	106.8	15.69
1979							
Jan.	113.1	107.3	−119	+1	−60	107.7	16.28

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1977							
4th qtr.	23.2	12.6	5.7	+698	1,639	1,189	7
1978							
1st qtr.	24.3	23.8	17.5	+1,791	1,049	1,263	6½
2nd qtr.	8.5	15.7	24.6	+2,857	694	1,398	10
3rd qtr.	16.8	5.3	8.8	+530	746	1,425	10
4th qtr.	4.8	9.4	8.8	+1,403	878	1,425	12½
Sept.	16.8	5.3	8.6	+712	346	478	10
Oct.	13.8	5.4	1.9	+540	383	470	10
Nov.	12.3	10.6	9.9	+110	261	506	12½
Dec.	4.8	9.4	8.8	+753	254	449	12½
1979							
Jan.					289		12½

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1977							
4th qtr.	119.9	142.2	145.8	187.4	193.3	234.3	63.3
1978							
1st qtr.	123.1	140.2	149.2	190.6	197.3	238.61	64.6
2nd qtr.	129.9	146.3	151.8	195.8	203.8	242.27	61.5
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.	136.5	147.1	157.3	202.6	208.0	257.69	62.7
Sept.	134.2	144.2	155.7	200.2	206.3	253.74	62.7
Oct.	135.2	145.7	156.6	201.1	205.6	263.22	62.5
Nov.	136.1	147.2	157.1	202.5	207.9	263.63	62.5
Dec.	138.1	148.2	158.3	204.2	210.5	257.69	63.2
1979							
Jan.		150.6	159.8			260.63	63.4

* Not seasonally adjusted.

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	6.2.79	13.2.79	AVERAGE YIELD	6.2.79	13.2.79
DM Bonds	103.52	100.14	DM Bonds	6.740	6.795
HFL Bonds & Notes	99.41	99.76	HFL Bonds & Notes	8.455	8.395
U.S. $ Strt. Bonds	95.59	95.95	U.S. $ Strt. Bonds	9.416	9.546
Can. Dollar Bonds	95.23	95.07	Can. Dollar Bonds	10.116	10.148

CLIVE INVESTMENTS LIMITED

1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101.

Index Guide as at February 13, 1979 (Base 100 on 14.1.77)

Clive Fixed Interest Capital 129.92

Clive Fixed Interest Income 110xn

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.

45 Cornhill, London, EC3V 3PB. Tel.: 01-623 6314.

Index Guide as at February 8, 1979

Capital Fixed Interest Portfolio 100.01

Income Fixed Interest Portfolio 97.75

Wall St. modestly firmer at mid-session

INVESTMENT DOLLAR PREMIUM

$2.60 to £1—90¼% (91¼%)
Effective $2.0050 46¼% (47¼%)

THERE WAS a gradual further improvement on Wall Street in moderate early trading yesterday as investors continued to look favourably on the relatively calm transition in Iran.

The Dow Jones Industrial Average *picked up 2.95 more to* 833.16 at 1 pm, while the NYSE

Closing prices and market reports were not available for this edition.

All Common Index was 14 cents firmer at $55.60 and gains outscored losses by *about* a three-to-two ratio. Turnover decreased by 2.07m shares to 17.66m, compared with Tuesday's 1 pm figure.

Analysts said that despite some incidents, such as the takeover of the U.S. embassy in Tehran and scattered fighting in the country, the new leadership appeared to be seeking to restore order and co-operate with the U.S. Government. Religious *leader Ayatollah Khomeini* called for an end to strikes in Iran.

However, expectations of a further rise in interest rates before peaking and steep first half-year inflation were factors inhibiting the market to some degree.

Energy stocks continued to benefit from expected higher fuel prices. **Occidental Petroleum** led the actives list and added ¼ at $18⅞.

Continental Oil were unchanged at $31½ in second place. Blocks of 100,000 and 45,000 shares were traded at $31½. **El Paso** rose ⅛ to $18, also in active trading.

Tymshare gained 1¼ to $39¼. The company has been approached by two concerns interested in a possible take-over.

Dynamics of America rose ⅜ to $6⅜. *It has purchased* 9.7 per cent of Unitrode Common shares and plans to buy more. Unitrode, *which* was not allowed to trade, but plans to buy the 60 per cent of Micro Networks Common stock that it does not yet own for $6m.

General Motors put on ¼ to $55¼, **Du Pont** ⅜ to $133½ and **International Paper**, which has raised the quarterly dividend, ⅜ to $47⅞. However, **Polaroid** shed ⅜ *to $50⅜ and* **Teledyne** ⅜ to $115½.

THE AMERICAN SE Market Value *Index* gained 1.05 more at 162.87 at 1 pm. Volume 2.07m shares (2.12m).

Volume leader **Resorts International "A"** advanced 2⅜ to $37⅜ and **Dome Petroleum** 3⅜ to $94⅜, while **Mitchell Energy and Development**, which plans to buy up to 500,000 of its Common stock, rose ⅛ to $20.

Canada

Share prices retained a firming tendency in active dealings yesterday morning, following *New York's positive lead.*

The Toronto Composite Index put on 2.8 to 1,380.4 at noon, *while Oils and Gas staged* a fresh advance of 23.8 to 1,984.9. Golds gained 3.7 to 1,581.7 and Utilities 0.50 to 201.62, but Banks receded 1.36 to 311.25.

Gulf Canada, which raised its dividend, rose ⅛ to C$39¾, while **Dome Petroleum** gained C$3 to C$112, **Hudson's Bay Oil** 1¼ to C$60⅞ and **Aquitaine** ⅛ to C$24⅞.

Bell Canada put on ⅛ to C$64⅛. The company's new 3.1m Common share issue priced at C$63.63 a share was *sold out*, brokers said.

Tokyo

Reversing the recent downward trend, the market moved ahead *yesterday in moderate* activity on a revival of buying interest, investors heartened by the overnight advance on both the London and Wall Street stock markets following the creation of a new Government in Iran.

The Nikkei-Dow Jones Average rose 37.39 to 6,061.03 and the Tokyo SE index 1.16 to 449.22, while volume amounted to 240m shares (160m).

Export-related issues, such as Light Electricals, were purchased due to the dollar's firmness on the foreign exchange market. Light Electricals had been sold recently on the Iranian political troubles, but since the new regime came into power these stocks have started to rebound, brokers commented. However, trading was not heavy because investors were still uncertain about political steps the new *Iranian Government will take* and because of worries about the outcome of trade talks between Japan and the U.S.

Machinery Manufacturers improved on news that orders have been increasing, reflecting a recovery in equipment investment by corporations.

However, energy-related issues like Oil Refiners retreated as creation of the new Iranian Government removed elements of uncertainty which had prevailed in the market. Such oil stocks had been purchased on *speculation that the companies would* benefit if Iran's oil exports were suspended for a long while due to the country's internal political struggle.

Sony advanced Y60 to Y1,630, **Pioneer Electronic** Y110 to Y2,060, **TPK Electronic** Y90 to Y1,810, **Nippon Soda** Y18 to Y338, **Kanto Denka** Y58 to Y642 and **Takeda Chemical** Y8 to Y500.

Mitsui, involved in a joint venture petrochemical project in Iran, rose Y27 to Y297.

Germany

Mixed movements occurred yesterday in nervous trading affected by political news, although the Commerzbank index managed to close 1.5 firmer at 798.9.

Dealers said two news items—that the U.S. embassy in Tehran had been occupied by gunmen and that the U.S. Ambassador in Afghanistan had been kidnapped and killed by Moslem terrorists—*unsettled Frankfurt bourse* trading.

Among Motors, **BMW** declined DM3 and **Daimler-Benz** DM2.20, while in Stores, **Karstadt** lost DM2 and **Kaufhof** DM3.50.

Banks, however, usually sensitive to Iranian news, steadied or even rose slightly. **Deutsche Bank** gained 90 pfennigs and ***Commerzbank*** *20 pfennigs.* Chemicals were mixed, with bright spots provided by **Degussa**, up DM3.50 and **Ruetgerswerke** DM1 firmer.

Most Steels gained, with **Krupp-Huette** adding DM1.50.

Machine Manufacturers posted modest losses. **Babcock** and **Linde** each shed DM1. Electricals had **Brown Boveri** down DM2.

The Domestic Bond market digested news that a second issue *of Carter notes is scheduled for* next week with mixed feelings. Public Authority issues eased by up to 30 pfennigs more, with the Bundesbank purchasing DM11.2m of paper in Frankfurt, compared with Tuesday when it sold DM3.1m in Frankfurt but bought around DM10m net on all German bourses.

Mark Foreign Loans were barely steady in a very thin market, but *Iranian issues continued to regain some of the* ground lost at the height of the crisis following the Shah's departure.

Australia

Stocks closed predominantly lower yesterday, depressed by a fresh reaction in world metal prices, disappointing company results and fears that another bank-backed finance company, known to be exposed in the property market, could go the same way as the collapsed Associated Securities. The Sydney All Ordinary index retreated 5.12 to 565.96.

Indifferent results from companies of the calibre of **Lend Lease**, down 7 cents at $A2.68, came as a shock to dealers, and while a downturn in earnings from competing building and construction concern **Jennings Industries**, was expected, the market was still jolted by the news that it had drawn on reserves to pay a standard dividend. **Jennings** fell 9 cents to 86 cents.

Both Properties and Banks were hard hit. **Bank of Adelaide** lost 8 cents to A$1.50 and **CBA** also 9 cents to A$2.55.

Market leader **BHP** fell 18 cents to A$9.66, while **G. J. Coles**, in Stores, declined 6 cents to A$2.24.

Central Norseman receded A$1.20 to A$18.80 following a sharp fall in international gold prices.

Elsewhere in Minings, **CRA**, which is due to report results for the year to last December shortly, weakened 23 cents to A$3.35. **Western Mining** lost 5 cents to A$1.90 and **Oakbridge**, in Coals, 6 cents to A$1.53.

Kathleen Investments and **Queensland Mines** held steady indicating that there is still hope of a take-over bid, but the rest of the Uraniums retreated in line *with the general trend.* **Pancontinental** declined 50 cents to A$11.40. **Peko-Wallsend** 16 cents *to A$5.60 and* ***EZ Industries*** *7* cents to A$3.30.

Paris

After opening on a promising note, shares generally declined in light trading.

Brokers said investor sentiment had been sapped by news of the U.S. embassy in Tehran being taken over, the raising of the Call Money rate to 6⅞ per *cent from 6⅝ also contributed to* the selling. At the start of the day, investors had been encouraged by the good overnight performance on Wall Street.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
✤ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

Indices

NEW YORK—DOW JONES

	Feb. 13	Feb. 12	Feb. 9	Feb. 8	Feb. 7	Feb. 6	1978-79 High	1978-79 Low	Since Compil'n High	Since Compil'n Low
◆ Industr'ls	830.21	824.84	825.33	818.87	816.81	822.85	907.74	742.12	1051.70	41.22
H'me B'nds	55.20	85.57	85.58	85.47	85.32	85.51	90.86	84.09		
Transport.	217.50	209.29	207.73	208.71	206.56	208.28	261.49	199.31	279.88	12.32
Utilities	105.72	105.38	105.21	103.25	103.42	103.82	110.98	97.73	163.32	10.58
Trading vol 000's	25,520	20,830	24,350	23,420	28,458	23,570	—	—	—	—

◆ Day's high 836.19 low 826.14

	Feb. 9	Feb. 2	Jan. 26	Year ago (approx)
Ind. div. yield %	5.95	5.83	5.88	5.94

STANDARD AND POORS

	Feb. 13	Feb. 12	Feb. 9	Feb. 8	Feb. 7	Feb. 6	1978-79 High	1978-79 Low	Since Compil'n High	Since Compil'n Low
‡Indust'ls	110.55	109.60	109.10	108.81	108.25	109.25	118.71	98.82	134.64	3.62
‡Composite	99.93	99.20	97.87	97.65	97.16	98.05	106.99	86.90	125.85	4.40

	Jan. 31	Jan. 24	Jan. 17	Year ago (approx)
Ind. div. yield %	[illegible]	4.96	4.97	5.04
Ind. P E Ratio	9.05	9.06	9.01	8.68
Long Gov. Bond Yield	8.84	8.91	8.87	8.18

N.Y.S.E. ALL COMMON

Feb. 13	Feb. 12	Feb. 9	Feb. 8	1978-79 High	1978-79 Low
55.46	55.04	54.87	54.74	60.38	48.57

Rises and Falls

	Feb. 13	Feb. 12	Feb. 9
Issues Traded	1,848	1,860	1,821
Rises	1,044	646	765
Falls	424	741	580
Unchanged	380	573	486
New Highs	31	31	18
New Lows	8	15	10

MONTREAL	Feb. 13	Feb. 12	Feb. 9	Feb. 8	1978-79 High	1978-79 Low
Industrial	231.89	229.52	228.79	226.95	232.44	152.98
Combined	234.81	233.27	232.96	231.50	237.65	170.82
TORONTO Composite	1377.6	1375.4	1372.1	1361.9	1382.4	998.2
JOHANNESBURG Gold	281.3	283.8	281.0	289.4	298.7	186.0
JOHANNESBURG Industrial	309.5	309.3	307.1	306.1	309.8	194.2

BASE LENDING RATES

A.B.N. Bank	13½%	■ Hill Samuel	§ 13½%
Allied Irish Banks Ltd.	13½%	C. Hoare & Co.	†13½%
Amro Bank	13½%	Julian S. Hodge	14½%
American Express Bk.	14 %	Hongkong & Shanghai	13½%
A P Bank Ltd.	13½%	Industrial Bk. of Scot.	12½%
Henry Ansbacher	13½%	Keyser Ullmann	13½%
Associates Cap. Corp.	14 %	Knowsley & Co. Ltd.	14½%
Banco de Bilbao	13½%	Lloyds Bank	13½%
Bank of Credit & Cmce.	13½%	London Mercantile	13½%
Bank of Cyprus	13½%	Edward Manson & Co.	14½%
Bank of N.S.W.	13½%	Midland Bank	13½%
Banque Belge Ltd.	14 %	■ Samuel Montagu	13½%
Banque du Rhone et de la Tamise S.A.	14 %	■ Morgan Grenfell	13½%
Barclays Bank	13½%	National Westminster	13½%
Bremr Holdings Ltd.	14½%	Norwich General Trust	13½%
Brit. Bank of Mid. East	13½%	P. S. Refson & Co.	13½%
■ Brown Shipley	14 %	Rossminster	13½%
Canada Perm't Trust	13½%	Royal Bk. Canada Tst.	12½%
Cayzer Ltd.	14 %	Schlesinger Limited	13½%
Cedar Holdings	13½%	E. S. Schwab	13½%
■ Charterhouse Japhet	13½%	Security Trust Co. Ltd.	13½%
Choulartons	13½%	Shenley Trust	14 %
C. E. Coates	13½%	Standard Chartered	13½%
Consolidated Credits	13½%	Trade Dev. Bank	13½%
Co-operative Bank	*13½%	Trustee Savings Bank	13½%
Corinthian Securities	13½%	Twentieth Century Bk.	14½%
Credit Lyonnais	13½%	United Bank of Kuwait	12½%
Duncan Lawrie	13½%	Whiteaway Laidlaw	14 %
The Cyprus Popular Bk.	13½%	Williams & Glyn's	13½%
Eagil Trust	13½%	Yorkshire Bank	13½%
English Transcont.	13½%		
First Nat. Fin. Corp.	14 %		
First Nat. Secs. Ltd.	14 %		
■ Antony Gibbs	13½%		
Greyhound Guaranty	13½%		
Grindlays Bank	‡12½%		
■ Guinness Mahon	13½%		
■ Hambros Bank	13½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 11%, 1-month deposits 11¼%.
† 7-day deposits on sums of £10,000 and under 11% up to £25,000 11½% and over £25,000 11¾%.
‡ Call deposits over £1,000 10%.
§ Demand deposits 11%.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN	F.360	15	11.30	1	17.10	—	—	F.384
ABN	F.370	5	6	—	—	—	—	"
ABN	F.390	5	0.90	—	—	—	—	"
AKZ	F.30	55	2.50	12	3.80	—	—	F.31.50
AKZ	F.32,50	78	1.30	70	2.30	—	—	"
AKZ	F.35	47	0.50	40	1.30	8	2.20	"
ARB	F.75	—	—	1	4.50	—	—	F.78.80
ARB	F.80	—	—	5	2.10	—	—	"
CSF	F.360	—	—	3	21	3	28	F.352,80
CSF	F.380	—	—	—	—	2	21.50	"
EK	$60	3	4	—	—	—	—	$61⅛
GOB	F.140	2	6	—	—	—	—	F.141
GOB	F.150	4	2.10	—	—	1	4.20	"
HO	F.32,50	3	1.90	—	—	—	—	F.32.10
HO	F.40	—	—	20	0.80	—	—	"
IBM	$300	1	18⅛	—	—	—	—	$308⅛
IBM	$320	—	—	1	15¼	1	22	"
KLM	F.100	4	11.50	—	—	—	—	F.109.50
KLM	F.110	25	5.30	—	—	—	—	"
KLM	F.120	4	1.80	7	5.60	—	—	"
KLM	F.130	85	0.80	—	—	1	4.80	"
NN	F.110	6	4.50	—	—	—	—	F.110.30
PHI	F.25	15	0.80	10	1.40	—	—	F.24
PHI	F.27,50	90	0.30	4	0.80	—	—	"
PSA	F.400	—	—	6	12.20	3	15.90	F.374,50
PSA	F.440	—	—	3	3.10	—	—	"
RD	F.125	—	—	6	8.50	47	7.40	F.127,40
RD	F.130	—	—	10	3.40	—	—	"
RD	F.135	—	—	—	—	1	2.70	"
		Feb.		May		August		
BA	$70	5	1½	12	7⅛	—	—	$71
TOTAL VOLUME IN CONTRACTS						695		

COMMODITIES AND AGRICULTURE

U.S. futures complex proposed

By Our Commodities Staff

THE WORLD'S two biggest commodity exchanges, the Chicago Board of Trade (CBT) and the Chicago Mercantile Exchange (CME), are studying plans for constructing a new building to house them both.

The move, if successful, could lead to the concentration of 70 per cent of U.S. commodity futures trading under the same roof.

The proposal, announced jointly by Mr. Laurence M. Rosenberg, chairman of the CME and Mr. Ralph N. Peters CBT chairman, must first be put to the CBT's members who last autumn voted to construct a 23-storey addition to their premises.

If the CBT members, who are voting on February 22, give the go-ahead a joint committee will be formed to consider sites, costs and plans for a new building.

The CBT and CME chairmen stressed, however, that the proposal only envisaged a common premises and did not "in any way" indicate a merger of the exchanges.

Last year the CBT traded a record 27m futures contracts while the CME accounted for a further 15m.

Wheat pact plan shelved as talks collapse

BY BRIJ KHINDARIA IN GENEVA

NEGOTIATIONS to conclude a new international wheat agreement have collapsed and the existing arrangement is to be renewed for at least one more year.

The door has been left open for further talks but differences between wheat exporting and importing countries are too wide to lead to quick solutions.

The existing food aid convention, which like the wheat agreement dates back to 1971, was also renewed for at least one year.

Mr. Arthur Dunkel of Switzerland, conference chairman, said he asked for adjournment of the talks because delegates had decided not to go for "a bad agreement" nor to "force the hand of any country."

The three key points that defied accord were special provisions for developing countries, the price range for wheat, and reserve stocks to be included in the new arrangement, he said.

In the absence of a new wheat agreement a representative of the UN Food and Agriculture Organisation called on countries to *hold voluntarily reserve* stocks for the sake of food security.

Common Market officials said the conference failed partly because of a lack of appreciation by developing countries of the importance of the prices range issue. Instead they focused on obtaining special privileges concerning reserve stock obligations.

The new arrangement would have been a radical departure from the existing agreement because it would have used a combination of reserve stocks and a maximum and minimum price range to intervene in the world wheat market to prevent large price fluctuations.

The existing agreement constitutes mainly a mechanism for consultation rather than market stabilisation.

The fundamental difference that led to the wheat conference's final collapse despite nearly 60 weeks of preliminary negotiations lies between the U.S. and Canada and other nations.

The U.S. sees wheat market problems as being those of controlling large variations in world production levels, rather than simply ironing out excessive price fluctuations.

For these reasons and also because of income support promises made to U.S. wheat growers, the Administration has insisted *that maximum and* minimum prices should be fixed at high levels in the planned world accord.

The main dispute that led Mr. Arthur Dunkel, conference chairman, to suggest suspension of the conference is also the one that has caused acrimonious feelings between developed country wheat exporters and developing country wheat importers.

This dispute concerns the agreed lower price level below which the world market wheat price would not be allowed to fall, and the agreed upper level above which the price would not be allowed to rise.

Prices would have been kept within this minimum and maximum range through purchases and sales of wheat by the reserve stock managers.

Developing countries are reported to have offered to accept a bottom line price of $125 to $130 a tonne and an upper price point of $160.

But the U.S., with some support from the Common Market, refused to budge from its opening offers of $140 and $200 a tonne respectively. *Canada* sought an even higher upper price point than the U.S. Only Australia appeared willing to come as far down to $180.

Brazil and Iran among hard line developing nations, for example, insisted that the *poorer wheat buying countries* should be given automatic exemptions from planned stockholding obligations in the new accord in cases where they pleaded inability to finance the stocks.

Recovery in copper after sharp fall

By John Edwards, Commodities Editor

Copper fell sharply again on the London Metal Exchange yesterday, but staged a strong recovery in late dealings. Three months wirebars declined to £926 a tonne at one stage, before rallying to £939.25 at the close—£18.5 down on the previous close—and moving ahead to £948 in late kerb trading. Cash wirebars closed £19 lower at £922.

The early decline in the market reflected the downward trend in New York overnight bringing out further profit-taking sales in nervous conditions. But in the afternoon fresh buying interest, mainly from speculators, was aided by covering against previous "short" sales.

Most dealers remain basically "bullish" believing that the recent setbacks from the peak levels reached earlier this month are merely a *technical market reaction* and a good opportunity to buy in again. Others argue that the rise to over £1,000 a tonne was too fast and furious, and the market needs a period of consolidation at the lower levels. Asarco again lowered its domestic U.S. copper price by one cent to 87 cents a pound.

The decline in copper yesterday brought lower prices for lead and zinc too, although Cominco, the world's biggest zinc producer, confirmed it was raising its European producer price by $40 to $800 a tonne in line with other producers.

Silver followed a similar pattern to copper. The bullion spot quotation was cut by 9.15p to 347.35p an ounce at the morning fixing. However values recovered in the afternoon, and the cash price on the Metal Exchange closed at 354.05p, only 1.3p down on the previous day.

INDIAN FIBRE

Strikes crippling jute industry

BY P. C. MAHANTI IN CALCUTTA

THE OUTLOOK for the Indian jute industry is cheerless, not only because of the labour strike with which the jute manufacturers began the New Year, but also because of a series of other adverse circumstances through which the industry has been passing practically from the beginning of 1978.

For example, in the earlier half of the past year, the industry had to deal with one of the worst raw material scarcities.

Fibre prices went up so high that they not only made jute goods increasingly uncompetitive, but were well beyond the buying capacity of a number of mills which had to curtail their output drastically when they could not suspend operations altogether.

The raw material supply eventually improved with the arrival of the new crop in August (a bumper 8m bales).

There was also the simultaneous good luck in the shape of a recovery in export demand, but just at that time, power supply became more and more erratic and the mills could not utilise their capacity fully. They could not even do proper production planning with whatever electricity they got because of frequent unscheduled power cuts.

Bargemen

The electricity situation was improving, when midway through November all the launch crew and bargemen who ply the only means of transport between the jute mills and Calcutta port decided to go on an indefinite strike, halting jute goods shipments from the mills.

And when the bargemen seemed inclined to come to a settlement with their employers (the strike was called off after 58 days) jute mill workers—about 220,000 in all—carried out their threat of a total and indefinite strike from January 5. Since then there has been a total suspension of production and despatches and the jute industry stands paralysed.

The industry has been expecting at least a good export year in 1978, but it has turned out to be the worst export year in the industry's recent history.

Exports totalled only 385,400 tonnes during the past year, compared with 550,000 tonnes in 1977 and an average of 500,000 tonnes over the past decade.

The internal market for jute goods has of course been expanding and it once absorbed nearly 60 per cent of a year's total output.

But the industry's viability still depends on exports, as these consist of high value products, like carpet-backing and hessian, which have no outlet at home. Significantly, therefore, the 40 per cent exported provides more than 60 per cent of the mills' total income.

Already wages in this industry form a high proportion of the costs—a much higher proportion than in any other Indian manufacturing industry.

So the points that are being emphasised in the context of higher wage demands are whether the industry will be able to recover the new cost burden of a wage settlement through a vigorous export drive, or through higher productivity. *There is no clear answer to* either question yet.

Firstly, the employer-employee negotiations have been complicated by a three-year wage agreement concluded between the engineering labour and the employers in West Bengal giving the workers a substantial increase in their minimum wage. The jute workers are now insisting on a similar agreement in their industry. But the employers complain that they are overlooking the differences of skill and technology between engineering and jute.

They also point out that the workers want their wages increased without any compensating increase in the workload, while the engineering workers have promised full co-operation in raising productivity in the industry.

Coming to the second question of a strong export recovery, the industry feels that this may not be possible in the near future, even if the strike is called off immediately. It will take time to bring things back to normal.

Major customers in the U.S., Japan and Europe are already switching to rival sources for meeting their immediate requirements. Even Russia which takes most of its hessian imports from India has warned that its stocks are very nearly exhausted and it would have to look for alternative sources should there be no assurance of getting the product from India soon.

The industry feels particularly worried by reports that some of the leading U.S. consumers of its carpetbacking are under pressure to conclude long-term contracts with competing synthetics if delivery uncertainties from India persist.

The labour situation in the jute industry has been noticeably unhappy over the past decade, most of the disputes centring on wages.

The jute employers are anxious to come to a lasting settlement with their workers if only to keep delivery uncertainties out of the way. But they are also appalled by the charter of demands of their labour, which they claim would drive them broke before long.

Subsidies

The industry's exports rely heavily on subsidies even at the existing level of wages. Higher wages could call for bigger cash subsidies to maintain exports at their present level of about *500,000 tonnes a year.*

The danger, however, is that an unending subsidy scheme would provoke wider demands for nationalisation than it is doing already.

As the experience of State-owned jute units shows, nationalisation would be no cure-all. Knowing this well, the Government has declared itself against such a drastic course. At the same time, the industry cannot be left to its own devices without risking disaster, sooner or later, for the economy.

The Government has been talking about a long-term export plan, but what the industry really needs is a comprehensive programme of reconstruction that would enable it to modernise equipment rationalise the workforce and diversify output within the shortest possible time. Otherwise the outlook will remain basically cheerless.

Australian wool exports up 38%

MELBOURNE — Australian wool exports rose 38.1 per cent to 262.9m kilos in the July/November period compared with the first five months of the previous season, the Australian Wool Corporation (AWC) said yesterday.

Exports to Japan rose 24.1 per centto 79.3m kilos while sales to the second largest buyer, the USSR, rose 116 per cent to 25.62m kilos.

Italy was in third place following a 98.1 per cent rise to 22.6b kilos, the AWC said in its January "Monthly Perspective."

AWC stocks fell to about 995,000 bales at the end of January from 1.01m at the beginning of December and 1.28m a year earlier.

The Corporation bought about 50,000 bales in the December/January period, while private treaty sales from stock totalled about 59,000 bales in the same period.

UK dairy farmers outstrip Dutch

BY CHRISTOPHER PARKES

BRITISH DAIRY farmers appear to be outstripping their chief rivals in Holland in productivity and are certainly no worse off in living standards, according to a report* just published by the Milk Marketing Board.

Since 1975 the average milk yield on a sample of specialist dairy farms in the UK rose 15 per cent from 4,501 to 5,163 litres a cow last year. The increase in Holland, starting from a higher base, was only 4 per cent.

Average yield on the *Dutch* farms last year was 5,000 litres, only 199 litres higher than in 1975.

The improvements in both countries, however, were made only with tthe assistance of a marked increase in the use of bought-in concentrate feeds.

Use of concentrates was particularly heavy in Britain, a fact which tends to add weight to growing criticisms that dairy farmers in the UK are not making the best use of the country's natural advantages.

Instead of making more milk from better management of grass which grows so well here, they are pushing up milk production using purchased feeds, mostly imported.

For every extra litre of milk produced on the farms in the sample the farmers fed an extra 1.27 kg of concentrate.

Profitability increase in both countries with the British again making particularly impressive progress. Farmers in the UK saw profits before depreciation rise 151 per cent between 1975 and 1977. In Holland the rise was only 12 per cent.

However, the unprecedented levels of inflation experienced in Britain in 1975 have to be borne in mind when comparing performances.

Allowing for changes in the cost of living index over the three years, profitability in Britain rose only 76 per cent in the UK and fell 6 points in Holland.

* *Trends in Dutch and British Dairying 1975-78; LCP Information Unit, Milk Marketing Board, 39, Christchurch Road, Reading, Berks.*

EEC sugar exports rise again

BRUSSELS—The EEC Commission yesterday authorised *exports of 59,750 tonnes of* white sugar at its weekly tender. This compares with last week's total of 57,500 tonnes and is the highest level for several months.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Lower again after a hectic day's trading on the London Metal Exchange. A sharp fall in overnight U.S. markets saw forward metal open lower at £940 and continue to lose ground with the price touching the day's low of £926 following heavy speculative selling which triggered stop-loss selling. However, fresh speculative and trade buying coupled with short-covering saw the market rally in the afternoon to close a fraction beneath the day's high at £948. Turnover 41,700 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	919-20	—26½	921.5-2.5	—19
3 months	936-7	—28½	939-.5	—18.5
Settl'm'nt	920	—26.5	—	.....
Cathodes				
Cash	912-3	—25½	911.5	—16
3 months	926-7	—24½	928-9	—17
Settl'm'nt	913	—23	—	
U.S. Smt.	—	.....	87-89	.....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £924, 920, three months £928, 27, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 38, 37, 38, 39, 38.5, 38, 36. Cathodes, cash £910, 12. Kerb: Wirebars, three months £939, 39.5, 40. Afternoon: Wirebars, three months £944, 44.5, 45, 44, 44.5, 45, 44.5, 44, 41, 42, 41, 40.5, 40, 39.5, 39, 40, 39.5. Cathodes, three months £927, 28. Kerb: Wirebars, three months £942, 41, 42, 43, 44, 45, 46, 48, 47, 48, 49, 47.5, 47, 46, 47.

TIN—Modestly higher. A rise in the *Penang market enabled forward metal* to open on a steady note at £7,110. However, as other markets came under pressure, tin fell away in thin trading to touch £7,050. This level attracted renewed buying with the price finally £7,170 on the morning kerb. Afternoon trading saw forward metal give ground under profit-taking prompted by the lack of physical business which depressed the price to £7,060 prior to a close on the late kerb of £7,080. Turnover 926 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7270-320	+22.5	7250-300	+46
3 months	7150-5	—7.5	7145-55	+15
Settlem't	7320	+45	—	.....
Standard				
Cash	7190-200	+17.5	7175-85	+35
3 months	7135-40	—5	7130-40	+50
Settlem't	7200	+20	—	.....
Straits, E.	£1883	+6		
New York	—	.....		

Morning: Standard, cash £7,190, three months £7,080, 65, 75, 85, 90, 95, 7,100, 20, 35, 40. High Grade, three months £7,130, 40, 50. Kerb: Standard, three months £7,150, 60, 70, 60, 50. Afternoon: Standard, three months £7,170, 60, 65, 30, 35, 40, 35. Kerb: Standard, three months £7,140, 45, 50, 40, £7,090, 80. High Grade, three months £7,130.

LEAD—Lost ground in line with copper. Forward metal fell to the day's low of £465 on the early pre-market but then rallied to close around the £470.5 level following short-covering. Turnover 6,800 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	496-7	—8	495-500	—7.25
3 months	470-.5	—14½	472-.5	—8.5
Sett'ment	497	—8	—	.....
U.S. Spot	—	.....	42-4	.....

Morning: Cash £498, 99, three months £468, 69, 68, 71, 72, 71, 70.5. Kerb: Three months £470, 69, 70, 70.5. Afternoon: Three months £473, 73.5, 74, 73, 72. Kerb: Three months £470, 71, 71.5, 72, 72.5, 72, 70.

ZINC—Marginally lower, *influenced by the trend in copper and lead.* After opening around £403 forward metal fell away to £396 before recovering to close around the £407.5 level. Turnover 5,325 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	387.5	—8.75	391.5	—5.5
3 months	401.5	—9	405.5-6	—2.75
S'ment	387.5	—9	—	.....
Prim. west	[illegible]			

[illegible]

ALUMINIUM—[illegible]

SILVER

[illegible]

COCOA

[illegible]

I.G. Index Limited 01-351 3466. May Cocoa 1768-1777

29 Lamont Road, London SW10 0HS.

1. Tax-free trading on commodity futures.
2. The commodity futures market for the smaller investor.

COMPANY NOTICES

MANUFACTURE FRANCAISE DES PNEUMATIQUES MICHELIN

9¼% 1976-1986 Loan of U.S.$75,000,000

The redemption on 15th March 1979 for which an instalment of US$2,500,000.— is planned, has been partially effected through:

Repurchase on the Stock Exchange: US$2,200,000.—
Draw by lot: US$ 300,000.—

The drawn bonds bear the following numbers:

19,153 to 19,452 inclusive

These bonds will be redeemable at par as from 15th March 1979, with coupons at 15th March 1980 and subsequent ones attached.

Amount outstanding after 15th March 1979: US$67,500,000.—

The Paying Agent

BANQUE DE PARIS ET DES PAYS-BAS
POUR LE GRAND-DUCHE DE LUXEMBOURG

Luxembourg, 1st February 1979

COFFEE

London coffee futures opened slightly higher and during a quiet morning session trade, coupled with possible producer support buying, absorbed some good selling to hold values steady, reports Drexel Burnham Lambert. In the afternoon trade picked up gradually, and the market rallied towards the close on mixed interest [illegible]

[illegible]

GRAINS

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
February	132.50-35.0	+2.50	131.50
April	128.00-28.5	+1.80	129.30-28.00
June	129.80-30.0	+1.15	130.00-29.40
[illegible]			

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

COTTON

[illegible]

MEAT/VEGETABLES

[illegible]

PRICE CHANGES

In tonnes unless otherwise stated.

	Feb. 14 1979	+ or —	Month ago
Metals			
[illegible]			

[illegible]

AMERICAN MARKETS

NEW YORK, Feb. 14

Lard—NY prime steam 26.75 nom. (26.50 traded).

CHICAGO, Feb. 14.

Live Cattle—Feb. 65.70-65.80 (65.37), April 66.40-66.27 (65.72), June 67.90-67.80, Aug. 66.75-66.65, Oct 65.40-65.20, Dec. 65.60-65.80, Jan 67.40 asked, Feb. 68.35 asked, April 68.75 asked, June 69.50 asked. Sales: 23,429.

*Gold—March 247.00-246.40 (239.30), June 255.00-253.80 (245.40), Sept 261.80-262.00, Dec. 268.00, March 275.00, June 282.00 bid, Sept. 289.00 bid, Dec. 296.00 bid. Sales, 19,336

¶Silver—Feb. 73.40 (70.33), March 73.53 bid (71.53), April 74.05-74.05 bid, June 74.88 bid, Aug. 75.71 bid, Oct. —, Dec. 77.39 bid, Feb 78.25 bid, April 78.09 bid, June 79.86 bid, Aug. 80.83 bid, Oct. 81.73 bid, Dec 82.66 bid, Feb 83.59 bid, April 84.55 bid, June 85.53 bid, Aug 86.53 bid

‡Soyabeans—March 758-756 (730¼), May 772-774 (744), July 780-783, Aug 770-771½, Sept. 725, Nov. 700-701, Jan. 708, March 716.

WINNIPEG, Feb. 14. §Rye—May 105.30 bid (104.10), July 104.30 bid (103.10) Oct 106.90 bid, Dec. 107.00

§Oats—March 85.90 bid (85.70 bid), May 83.80 bid (83.20), July 82.60 bid, Oct. 83.40 bid, Dec. 83.30 bid.

§Barley—March 76.30 bid (77.80 bid) asked, Oct 84.00 bid Dec. 84.40 bid

§Flaxseed—May 258.50 (249.00 bid), *July 251.00 bid (342.00), Oct 346.50,* Nov 339.50 bid Dec. 340.00 bid

‡Wheat—March 100.70 (99.20 bid), May 100.70 bid (99.10), July 101.00 bid Oct 104.00 bid, Dec 102.60

Rapeseed—March 334.90 (326.10 bid), June 333.50 asked (325.00 bid), Sept. 321.70 asked, Nov 321.70 asked, Jan 316.70.

All cents per pound ex-warehouse *unless otherwise stated.* * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. ‡ Cents per 60-lb bushel. ‡ $ per short ton (2,000 lbs) § $Can. per metric ton. §§ $ per 1,000 sq. feet ‡ Cents per dozen

Tuesday's closing prices

NEW YORK, Feb. 13.

¶Silver—Feb. 702.20-703.00 (722.00), March 716.00 (736.00), April 720.30, May 724.80, July 733.10, Sept. 741.70, Dec. 754.10, Jan. 758.40, March 766.80, May 775.30, July 783.80, Sept 792.20, Dec. 805.30. Handy and Harman spot bullion 721.50 (735.00)

Copper—Feb 81.70 (84.35), March 81.75-82.00 (84.75), April 82.40, May 82.75-83.00, July 82.65-82.70, Sept 82.60, Dec. 82.30, Jan. 82.15, March 81.95, May 81.75, July 81.55, Sept. 81.35, Dec. 81.05.

Coffee—"C" Contract: March 126.00-125.10 (125.25), May 123.70-123.75 (124.33), July 124.00-124.25, Sept. 125.00-125.10, Dec. 123.25-123.75, March 122.00-122.00, May 122.00-122.50.

*Platinum — April 404.50 (414.50), July 404.20 (414.20), Oct. 405.00, Jan. 405.90, April 406.60, July 407.30, Oct. 408.00.

Sugar—No. 11: March 8.24-8.26 (8.25), May 8.59-8.60 (8.59), July 8.86-8.88, Sept. 9.11, Oct. 9.22-9.24, Jan 9.40-9.58, March 9.86-9.87, May 10.05-10.10

*Gold—Feb. 239.00 (245.50), March 239.90 (246.60), April 241.50-242.10, June 245.50-248.10, Aug. 249.50, Oct. 254.80, Dec. 259.80, Feb 261.50-263.70 April 267.90, June 272.40, Aug. 277.00, Oct 281.60, Dec. 286.20

Cocoa—March 153.00 (157.00), May 155.25 (158.00), July 157.25, Sept 158.90, Dec. 160.70, March 162.00, May [illegible]

Silver—Feb. 703.0-703.5 (723.7), March 715.3 asked (735.3), April 720.5 asked, June 728.8 asked, Aug. 737.1 asked, Oct. 745.5 asked, Dec. 753.9 asked, Feb. 762.4 asked, April 770.9 asked, June 779.5 asked, Aug 788.3 asked, Oct 797.3 asked, Dec 806.5 asked, Feb. 815.9 asked, April 825.5 asked, June 835.3 asked, Aug. 845.0 asked

Live Cattle—Feb. 65.40-65.25 (65.22), April 65.65-65.80 (65.82), June 67.15-67.05, Aug. 65.70-65.85, Oct 64.60-64.50, Dec 66.00-65.95, Jan 66.75, Feb 67.70, April 68.25, June 69.10

Soyabean Oil — March 26.80-26.75 (27.00), May 26.85-26.90 (27.66), July 26.85-26.90, Aug 26.55, Sept. 25.50, Oct. 24.65-24.75, Dec. 24.50, Jan. 24.35-24.40, March 24.35-24.40

‡Soyabean Meal—March 192.40-192.10 (195.20), May 195.50-196.30 (199.60), July 198.00-197.80, Aug 197.50, Sept. 194.00, Oct 189.50, Dec 189.00-189.50, Jan. 189.00-189.20, March 192.00

‡Soyabeans—March 729½-731 (741½), May 742-746 (755½), July 753-755, Aug. 744-745, Sept 706, Nov 687-688½, Jan. 694-695½, March 705-705½.

WINNIPEG, Feb 13. Rye—May 104.10 (105.00), July 103.10 (104.00), Oct 105.50, Dec 105.80

§Barley—March 77.80 bid (78.00 bid), May 78.90-79.00 bid (79.00 bid), July 80.90 asked, Oct 84.10 asked, Dec 83.90 bid

§Flaxseed—May 249.00 (253.00), July [illegible]

EUROPEAN MARKETS

ROTTERDAM, Feb. 14

[illegible] Winter Wheat Ordinary not offered. U.S. No. 2 Red Winter Wheat, March $165, April $158, May $157. U.S. No. 2 Northern Spring Wheat, 14 per cent, mid-Feb./mid-March $174, March $168.50, April $166.

Maize—U.S. No. 3 Corn Yellow, April $119.50, Feb. $118.50, March $117.75, April-June $118, July-Sept. $118, Oct.-Dec. $118.

Rye—U.S. No. 2/Canadian Western, April-May $112.

Oats—Norwegian, Swedish 2.40 U.S., 1/Canadian feed, all unquoted. U.S./Plate, Feb. $90, Feb.-March $94, March $95.

PARIS Feb. 14

Sugar (FFr per 100 kg)—March 870-880, May 896-900, July 915-920, Aug 942-945, with 943-942p, Oct 970-972, Nov. unquoted, Dec. 992-1,005, March 1,020-1,030. Sales at call: 3

Soyabeans—U.S. two yellow Gulf ports—Feb. $290, March $293, April $297.50, May $297.25, June, July, Aug. $301.25, Sept. $296.15, Oct $275, Nov $274.25, Dec. $277, Jan $290.50, Feb. $284.50, March $285.50, sellers. With nearby Feb. $258.75, March $292.50 paids

INDICES

FINANCIAL TIMES

Feb. 13	Feb. 12	M'nth ago	Year ago
264.97	265.22	263.05	226.99

(Base: July 1, 1952=100)

MOODY'S

Feb. 13	Feb. 12	M'nth ago	Year ago
1030.6	1034.4	997.4	912.5

(December 31, 1931=100)

DOW JONES

Dow Jones	Feb. 13	Feb. 12	Month ago	Year ago
Spot	378.58	381.32	375.64	350.04
F'tur's	377.61	381.42	371.65	330.11

(Average 1924-25-26=100)

REUTERS

Feb. 14	Feb. 13	M'nth ago	Year ago
1519.5	1528.8	1497.0	1403.1

(Base: September 18, 1931=100)

Optimism about interest rates spreads promoting big trade in Gilts and renewed firmness in equities

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 29	Feb. 8	Feb. 9	Feb. 20
Feb. 12	Feb. 22	Feb. 23	Mar. 6
Feb. 26	Mar. 8	Mar. 9	Mar. 20

* "New time" dealings may take place from 9.30 am two business days earlier.

Equities yesterday took Tuesday's marked turn for the better a stage further as optimism increased that, contrary to recent fears, the general level of interest rates in the UK may have peaked out. Gilt-edged securities also extended the recovery movement which developed when the exhaustion of the long tap stock was announced last Friday and, although slightly below the day's highest, closing quotations showed fresh gains ranging to ½.

The session began in the industrial sector with small institutional demand for selected leaders aggravating an underlying stock shortage and prompting another squeeze on professional short positions. By 11 am, the FT 30-share index was standing 4.2 higher, but interest thereafter began to falter awaiting the 3.30 pm announcement of January's trade returns.

These were much in line with expectations so that market sentiment was not altered materially either way and the index closed as at 3 pm with a net gain of 2.0 at 457.4. Gilts, on the other hand, were tending to improve marginally late in front of today's money supply figures. Neither the new agreement reached between the Government and TUC nor the return to work at BL Cars' Longbridge plant made any impression on the market tone.

Government stocks went higher for the fourth consecutive trading day and turnover expanded yet again as more of the investment funds built up over recent weeks were utilised. The shorter end of the market commanded the greater interest because the Government broker supplied more of the tap Treasury 12 per cent A 1983 at 93⅞, a price he later withdrew before operating again at 93¼: any further sustained demand could shortly see the stock's exhaustion.

Switching into the tap and other swopping operations were sizeable, but a good flow of straight buying also developed. Despite the increasing possibility that a replacement long tap would be announced at the close on Friday, stocks in this area were not overshadowed and a mid-day reaction, which had halved early rises of ½, was eventually arrested and gains in the end were again reaching towards ½.

An active two-way institutional business saw the investment currency premium fluctuate between 91½ per cent and 90 per cent before closing at 90½ per cent for a fall on the day of ¾. The SE conversion factor yesterday was 0.6806 (0.6783).

A reasonable demand developed in traded options for ICI which has preliminary results due next Thursday and attracted 173 deals of the total of 683. EMI were also wanted, recording 162 contracts.

Dealings were suspended in Caledonian Holdings at 110p pending an announcement; Comet Radiovision, after acquiring 22.13 per cent of Caledonian, has announced its intention to launch a takeover bid worth 110p per share.

Wintrust please

The more-than-doubled first-half profits and a proposed 20 per cent scrip-issue helped recently firm Wintrust improve further to touch a 1978-79 peak of 92p before a close of 89p, a rise of 3 on the day. Discounts moved higher in sympathy with gilts and closed at the day's best. Allen Harvey and Ross and Union rose 15 to the common level of 325p. Still benefiting from the smaller-than-expected base lending rate increases, the major clearing banks made early progress but were unable to hold their higher levels. Barclays touched 380p before closing 2 dearer at 378p but NatWest ended 5 off at 285p, after 292p. Elsewhere, Corinthian edged forward 2 to 31p and G. R. Dawes improved a penny to 15p, but Hill Samuel Warrants came on offer at 50p, down 7.

Further consideration of the group's plans to merge its worldwide businesses with Corroon and Black Corporation helped Minet Holdings improve 2 more to 169p. Hogg Robinson found support at 120p, up 7. Sedgwick Forbes opened at 96p, ex the Bland Payne merger and, after a moderate business, closed at 98p, while the new nil-paid shares opened at 3½p premium and closed at 4p premium.

Building issues again improved, although gains were not of the previous day's magnitude. Manders attracted further attention and touched 132p before profit-taking left the close at 128p, up 2 on balance. Leyland Paint revived with a rise of 3 at 97p. J. Finlan were sought after and added 3 for a three-day rise of 12 to 49p while, in a limited market, Brown and Jackson rose 20 to 290p. Hopes of a pause in the upward trend in interest rates lifted housebuilders Barratt Developments 6 to 103p. Johnson-Richards Tiles, subject of a hotly-contested 148p per share offer from Norcros, eased 2 to 132p, while Armitage Shanks, J-RT's merger partner, cheapened ½ to 73½p.

Fresh investment demand ahead of next week's preliminary results lifted ICI 7 to 363p.

Interest in Stores generally centred around secondary issues. Support was forthcoming for D-I-Y stocks: Home Charm closed 9 to the good at 286p and A. G. Stanley 3 better at 190p. Ratners revived with a rise of 5 to 66p, while fellow jewellery concern Ernest Jones put on 3 to 162p. Lee Cooper firmed 10 to 212p in a thin market and J. Hepworth, at 72p, recorded a Press-inspired rise of 4. Bambers added 6 to 140p and Customagic improved 3 late to 22p; the latter's rise was accompanied by talk of developments. By way of contrast, recent high-flier MFI Furniture succumbed to profit-taking following Tuesday's excellent interim results and accompanying capital restructuring proposals and, lost 7 of Tuesday's rise of 19 at 227.

Buying in the Electrical sector again centred chiefly on secondary issues where gains were fairly substantial. Electrocomponents, 348p, and Farnell, 420p, advanced 15 and 12 respectively, while United Scientific put on 8 to 273p and Racal were similarly dearer at 354p.

Stimulated by a revival of bid hopes, Baker Perkins pushed ahead to 173p before settling at 170p for a rise of 9. Elsewhere in the Engineering sector, British Aluminium firmed 10 more to 905p, while Alcan Aluminium also continued firmly and put on 4 further to 157p. Although the preliminary figures were below expectations, Birmid Qualcast responded to the increased dividend with a rise of 6 to 58p. Wolseley-Hughes were supported at 210p, up 5, but Averys, down 6 more at 208p, continued to reflect uncertainty about GEC's bid intentions. Camford attracted buyers and rose 6 to 72p. Moss Engineering held steady at 83p following the dividend forecast and profits statement contained in the circular giving reasons for rejecting the take-over bid from GEI International, 1½ cheaper at 87½p.

In Foods, buyers came in for Cullens and the ordinary and A put on 8 and 10 respectively to the common price of 134p, while second thoughts about the interim results prompted a gain of 8 to 91p in Meat Trade Suppliers. Barker and Dobson were wanted at 14½p, up a penny. News that Rowntree Mackintosh had increased its stake in the company to 19.8 per cent left Associated Biscuit 2 higher at 78p.

Among Hotels, De Vere firmed 5 to 193p while Savoy A, in continued response to news that British and Commonwealth had acquired an 8 per cent stake, added 2 to 79p.

Lindsay Williams up

The previous day's technical rally was taken a stage further by the miscellaneous Industrial leaders and although best levels were not held closing improvements ranged to 6 as in Unilever at 542p. Beecham touched 622p before closing 4 up at 617p, while Glaxo ended only 2 higher at 477p, after 483p. Elsewhere, continuing hopes of the project planned by British Rail left Channel Tunnel 10 up at 100p, making a rise over the past four trading sessions of 45. Speculatively supported up to 80p on takeover hopes, Lindsay and Williams jumped further to close 28 up at 92p following news of the bid approach from RFD, unaltered at 57p. Securicor and its subsidiary Security Services both rose 4 to the common level of 138p in response to their preliminary statements, while a revived speculative interest in a thin market lifted Stormgard a penny to 15p.

Awaiting the annual general meeting, Management Agency and Music rose 8 to 121p.

Intermittent buying imparted a firm undertone in Motors. Harold Perry rose 4 to 117p, while T. Cowie, following an investment recommendation, added the same amount to 46½p. Components rallied afresh after the BL Longbridge strike was called off, but finished below the best. Jonas Woodhead rose 3 to 90p, while Associated Engineering hardened 2 to 92p. Dealings in Wilmot Breeden were suspended at the opening level of 81½p pending an announcement concerning the talks with Rockwell; the statement from Rockwell inviting W-B to further discussions came after the market close and dealings in the latter are expected to resume today.

Firm recently on hopes of increased oil revenue, International Thomson closed 7 off at 335p as recent support diminished. Among paper manufacturing issues, Melody Mills rose 4 to record a two-day rise of 12 at 122p.

Hopes that interest rates may have peaked encouraged fresh investment demand for Properties. Land Securities firmed 5 to 261p and Great Portland Estates 4 to 238p. In further response to news that Sun Alliance had increased its stake in the company to 6.52 per cent, Peachey put on 4 to 105p.

Trading in the Oil market was relatively quiet. British Petroleum encountered scattered profit-taking and drifted off to close 6 cheaper at 964p, but Shell fluctuated narrowly before ending a few pence to the good at 634p. Royal Dutch, however, eased ½ to £46½ in sympathy with the dollar premium.

In Overseas Traders, Thomas Borthwick advanced 3 to equal the 1978/79 peak of 79p after a Press mention.

Among Financial Trusts, Press comment on the half-yearly figures prompted fresh dullness in Dalgety, down 5 more at 317p. S. Pearson, however, found support and moved up 8 to 214p.

Movements in the Shipping sector were restricted to a few pence either way. Elsewhere, Milford Docks, in which Scanoil recently revealed a stake of just over 6 per cent, advanced 13 to 150p.

Few movements of note emerged from idle Textiles, but Nottingham Manufacturing eased 3 for a two-day fall of 11 to 117p following disappointment with the results.

Guthrie's late reaffirmation of its rejection of the Sime Darby offer left the shares 4 easier at 426. Sime shed 2 to 105p.

Quiet Mines

Activity in all sections of mining markets remained at minimal levels. South African Golds moved in line with the bullion price. They were initially marked down but later recovered to close with modest losses for the second day running.

The Gold Mines index gave up 2.4 to 174.6, while the ex-premium index lost 1.3 to 115.8. The bullion price was finally $1 down at $240.375 per ounce.

Among heavyweight Golds, West Driefontein fell a half-point to £23½ and Western Holdings ½ to £20¼, but Vaal Reefs continued to make modest progress to close ¼ firmer at $16¼ following renewed Continental support. Free State Geduld were finally unaltered on balance at £17½, after £17¾. Medium-priced issues showed Buffels 20 lower at 942p and Libanon 16 cheaper at 550p.

Coal stocks performed well with "Amcoal" a further 10 better at a 1978-9 high of 810p. Financials were generally steady to a shade firmer. Union Corporation attracted renewed Johannesburg buying and gained 6 more to a 1978-9 high of 360p.

Lower base-metal prices and a fairly substantial fall in overnight Sydney and Melbourne markets prompted widespread losses in Australians.

After opening sharply lower at 283p Conzinc Riotinto rallied following the results to close 9 cheaper on balance 290p.

In the base-metal producers Mount Lyell and Bougainville were both 4 easier at 58p and 159p respectively with the last named being additionally weakened by a strike at the mine.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	70	—	10
Corpns., Dominion and Foreign Bds.	17	—	47
Industrials	487	142	893
Financial & Prop.	272	35	202
Oils	13	7	18
Plantations	8	7	19
Mines	10	64	67
Recent Issues	7	2	21
Totals	882	257	1,277

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978-79 high	1978-79 low
BP	£1	13	964	− 6	970	720
Shell Transport	25p	13	634	+ 2	634	484
Birmid Qualcast	25p	10	58	+ 6	70½	48½
ICI	£1	10	363	+ 7	421	328
Beecham	25p	9	617	+ 4	726	581
GEC	25p	9	323	+ 3	349	233
Sedgwick Forbes 'New'	Nil/pd.	9	4pm	—	5½pm	3½pm
MFI Furniture	10p	8	227	− 7	235	54
BATs Defd.	25p	7	275	+ 1	304	227
Dalgety	£1	7	317	− 5	331	215
Glaxo	50p	7	477	+ 2	648	458
BICC	50p	6	116	− 1	143	99
Barclays Bank	£1	6	378	+ 2	398	296
De La Rue	25p	6	340	+10	500	230
Dunlop	50p	6	82	− 1	90	60

FINANCIAL TIMES STOCK INDICES

	Feb. 14	Feb. 13	Feb. 12	Feb. 9	Feb. 8	Feb. 7	A year ago
Government Secs.	65.39	65.16	64.89	64.90	64.64	65.12	74.11
Fixed Interest	66.21	66.03	65.77	66.08	65.97	66.07	77.14
Industrial	457.4	455.4	446.1	450.7	448.9	455.2	463.2
Gold Mines	174.6	177.0	177.4	174.0	178.6	182.6	157.7
Gold Mines Ex-$ pm	115.8	120.1	120.5	119.3	122.5	123.5	117.3
Ord. Div. Yield	6.21	6.24	6.37	6.32	6.34	6.27	5.69
Earnings Y'ld % (full)	16.23	16.31	16.65	16.63	16.59	16.42	17.08
P/E Ratio (net) (*)	7.99	7.95	7.79	7.85	7.82	7.90	7.87
Dealings marked	4,932	5,232	5,733	5,224	5,500	5,055	6,197
Equity turnover £m		75.53	73.00	90.02	104.29	77.93	80.88
Equity bargains total		13,486	13,914	14,957	15,607	13,157	6,197

10 am 459.1. 11 am 459.6. Noon 459.0. 1 pm 458.2. 2 pm 457.4. 3 pm 457.4.

Latest Index 01-246 8026.

*Nil = 7.77.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ premium index started June 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1978-9 High	1978-9 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	78.58 (5/1/78)	64.64 (8/2/79)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1/78)	65.77 (12/2/79)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9/78)	433.4 (2/3/78)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/3/78)	124.1 (29/11/78)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm.)	132.5 (14/3/78)	90.3 (19/4/78)	337.1 (3/4/74)	54.3 (25/6/76)

S.E. ACTIVITY

	Feb. 14	Feb. 13
Daily		
Gilt Edged	210.4	207.6
Industrials	151.7	150.5
Speculative	37.0	40.4
Totals	112.7	119.1
5-d'y Av'r'ge		
Gilt Edged	195.2	185.5
Industrials	166.7	160.0
Speculative	32.6	37.5
Totals	130.4	120.5

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 6	Feb. 19	May 3	May 15
Feb. 20	Mar. 5	May 17	May 30
Mar. 6	Mar. 19	May 31	June 12

For rate indications see end of Share Information Service

A moderate level of activity developed in the option market and calls were reported in UDT, Burmah, Town and City, MFI, Ramar Textiles, Premier Oil, New Throgmorton Capital, Britannia Arrow, Decca A, Wigfall, Savoy A, BOC, Leboff Fobel, Trafalgar House, LOPS, Wilson Walton, Bolton Textile, Spillers, Hestair, Associated Fisheries, Legal and General and Lasmo. Puts included MFI, Guthrie and RTZ, while a double option was taken out in Turner and Newall.

NEW HIGHS AND LOWS FOR 1978/9

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978-79.

NEW HIGHS (64)

CANADIANS (2): Bow Valley; Gulf Oil Can.

BANKS (1): Wintrust

BUILDINGS (5): Brown & Jackson; Norwest Holst; Finlan (J.); Roberts Adlard; Manders

CHEMICALS (1): Allied Colloids

STORES (3): Helene of London 12pc Cnv. Pref.; Lee Cooper; MFI Furniture

ELECTRICALS (4): Electrocomponents; [illegible]; Energy Serv.; [illegible]

ENGINEERING (5): Baker Perkins; Redman Heenan; British Aluminium; [illegible]; Carclo Eng.; Utd. Engineering

FOODS (1): Barr (A. G.)

HOTELS (2): De Vere Hotels; Prince of Wales

INDUSTRIALS (11): British Cine.; Securicor Group; Centreway; Do. A N-V; Gieves Group; Security Services; Imp. Cont. Gas; Do. A N-V; Kelsey Inds.; 'The Times' Veneer; Lindsay & Williams

LEISURE (3): Hawley Leisure; Samuelson Film; Man. Agcy. Music

PAPER (1): Melody Mills

PROPERTY (12): Amal. Estates; Mountview Ests.; Chesterfield; Peachey; County & District; Regional Props.; Land Invest.; Do. A; Land Secs.; Town Centre Props.; MEPC; Utd. Real Prop.

SHIPPING (1): Milford Docks

TEXTILES (1): Small & Tidmas

TRUSTS: Lazard Stk. Inv.; Oil & Assoc. Inv.

OILS (2): British Borneo; Oil Exploration

RUBBERS (1): Bertam Cons.

TEAS (1): Assam Dooars

MINES (2): Anglo-Amer. Coal; Union Corp.

NEW LOWS (6)

BANKS (1): Hill Samuel Wts.

ENGINEERING (1): Eva Industries

INDUSTRIALS (1): Lindustries

TEXTILES (1): Stoddard A

OILS (1): Royal Dutch

APPOINTMENTS

Sun Life managing director

Mr. R. F. C. Zamboni, general manager of the SUN LIFE ASSURANCE SOCIETY since 1976, has been appointed managing director of the Society.

★

Mr. D. L. Murison, the present chairman of the London Board of the BANK OF NEW SOUTH WALES, is resigning from the Board of J. HENRY SCHRODER WAGG AND COMPANY on March 31 to become executive chairman of the London Board of the Bank of New South Wales in a full-time capacity. Following his appointment as an assistant general manager of the Bank of New South Wales in Sydney, Mr. R. A. Norman will be relinquishing the position of chief manager for UK and Europe at the end of next month and Mr. J. G. Hunt will take over that post. At the same time Mr. Peter Brind will become deputy chief manager for UK and Europe/manager, London, in place of Mr. Hunt.

★

Professor M. W. Thompson and Mr. B. P. Graves have been appointed directors of the ALLIANCE BUILDING SOCIETY. Professor Thompson is Professor of Experimental Physics at Sussex University. Mr. Graves is senior partner of Graves Son and Pilcher.

★

Mr. James W. Doherty has been appointed managing director of LINDLEY THOMPSON, a member of the Switchgear Group.

★

The following have been appointed members of the BRITISH COUNCIL OF THE AUSTRALIAN BRITISH TRADE ASSOCIATION and of the New Zealand Trade Advisory Committee: Sir Neil Wheeler, a director of Rolls-Royce Ltd.; Mr. T. G. Lock, director and general manager of Lucas Service Overseas; Mr. T. D. Grocock, company secretary, Vickers; and Mr. D. R. Miller, deputy chairman, RTZ Industries.

★

TORVALE HOLDINGS has made the following changes to the Group Board: Mr. T. F. Honess appointed to the Board as chairman in succession to Mr. C. P. Hazlehurst who remains a director. Mr. Honess retired from the Board of GKN on December 31, and is chairman of Butterfield Harvey. Mr. A. F. A. Hassall joins the Torvale Board as group managing director and chief executive, in succession to Mr. W. B. Pamment who remains on the Board in a non-executive capacity. Mr. Hassall was previously with the Department of Industry. Mr. B. A. Pamment and Mr. R. J. H. Dix have resigned from the group Board; Mr. B. A. Pamment continues as managing director of Torvale's engineering companies and Mr. Dix will concentrate on the overseas activities of Torvale Building Products. Mr. F. S. A. Fothergill has retired from the group Board. Mr. H. P. Lee continues as financial director.

★

Mr. D. A. H. Baer, a director of the FOREIGN AND COLONIAL INVESTMENT TRUST COMPANY, is to become chairman following the retirement of Mr. H. C. Baring on April 16. To take up that position, Mr. Baer ceases his executive duties as vice-chairman of JOHN GOVETT AND CO. but remains on that Board as a non-executive director. Mr. M. R. Cornwall-Jones has been elected deputy chairman of John Govett.

★

Mr. T. J. Norris has been appointed managing director of NICOL INDUSTRIAL HOLDINGS and ANTHONY DOBSON ASSOCIATES.

★

Mr. Nicholas McAndrew has been appointed to the Board of GRESHAM LIFE ASSURANCE SOCIETY. He is a director of N. M. Rothschild and Sons and managing director of N. M. Rothschild Asset Management.

★

Mr. R. K. Dillon has been appointed European finance and administration director of MODULAR COMPUTER SYSTEMS. He was previously with Honeywell.

★

Mr. Francis J. Dunleavy and Mr. Frank T. Alfieri have joined the Board of CLARK EQUIPMENT COMPANY. Mr. Dunleavy is vice-chairman of International Telephone and Telegraph Corporation and Mr. Alfieri, senior vice-president—chief financial officer of Clark Equipment.

★

Luxor AB of Motala has appointed Mr. Dennis Swannack, general sales manager, to the position of managing director of its subsidiary SKANTIC (UK).

★

Executive changes have been made at STURTEVANT ENGINEERING PRODUCTS and the Board now consists of: Mr. G. W. Aldridge, executive chairman; Mr. R. Cook and Mr. L. Meadowcroft, joint general managers; Mr. A. J. Coombe, marketing; Mr. E. K. Hofton, machines; Mr. D. Myers, fans; Mr. J. Hampson, works; Mr. C. Redfern, finance; and Mr. K. W. Atkinson, company secretary. The parent concern is DRAKE AND SCULL HOLDINGS GROUP.

★

Mr. E. C. Dunbar, managing director of Barclays Insurance Brokers South Africa, has been appointed a director of BARCLAYS INSURANCE BROKERS INTERNATIONAL.

★

Mr. Thomas Gilbey has been appointed senior technical director of MAGOG INDUSTRIES, not Magogi Inductries as reported yesterday.

LEADERS AND LAGGARDS

The following table shows the percentage changes† which have taken place since December 29, 1978, in the principal equity sections of the F.T. Actuaries Share Indices. It also contains the Gold Mines Index.

Gold Mines	+25.37	Toys and Games	− 1.53
Mining Finance	+13.50	Food Manufacturing	− 1.96
Oils	+ 9.66	Pharmaceutical Products	− 2.22
Overseas Traders	+ 6.67	Merchant Banks	− 2.26
Property	+ 5.51	Building Materials	− 2.46
Banks	+ 3.52	Metal and Metal Forming	− 2.70
Wines and Spirits	+ 3.39	Capital Goods Group	− 2.99
Newspapers and Publishing	+ 2.37	Discount Houses	− 3.08
Investment Trusts	+ 1.61	Engineering Contractors	− 3.26
Tobaccos	+ 1.33	Breweries	− 3.40
Entertainment and Catering	+ 1.00	Consumer Goods (Durable) Group	− 3.49
All-Share Index	+ 0.77	Office Equipment	− 4.15
Shipping	+ 0.63	Insurance Brokers	− 4.20
Packaging and Paper	+ 0.51	Mechanical Engineering	− 4.24
Stores	+ 0.31	Insurance (Life)	− 4.42
500 Share Index	+ 0.25	Hire Purchase	− 4.76
Food Retailing	− 0.14	Textiles	− 4.79
Financial Group	− 0.20	Household Goods	− 5.03
Chemicals	− 0.28	Insurance (Composite)	− 5.17
Consumer Goods (Non-durable) Group	− 0.43	Motors and Distributors	− 7.13
Electricals	− 2.70	Contracting and Construction	− 7.28
Other Groups	− 1.12		
Electronics, Radio and TV	− 1.30		
Industrial Group	− 1.48		

† Percentage changes based on Tuesday, February 13, 1979 indices.

LONDON TRADED OPTIONS

Option	Ex'rc'se price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	900	83	8	107	—	130	—	965p
BP	950	45	5	69	—	92	—	"
BP	1000	15	14	44	—	67	5	"
Cons Gold	180	28	2	33	—	41	—	202p
Cons Gold	200	12½	10	19	—	25	—	"
Cons Gold	220	4½	2	10	—	16	—	"
Courtaulds	110	4	10	7	1	9½	—	107p
Courtaulds	120	1½	5	3	2	5	—	"
GEC	330	11½	33	36	—	38	2	325p
GEC	360	3	76	13	—	—	—	"
Grand Met.	110	8½	4	13	—	16	—	118p
Grand Met.	120	4	2	6½	22	10	2	"
ICI	330	32	20	47	15	53	5	362p
ICI	360	10½	30	26	5	36	—	"
ICI	390	3½	90	15	5	18	2	"
ICI	420	¾	—	8½	1	—	—	"
Land Secs	180	85	3	—	—	—	—	260p
Land Secs	260	10½	5	18½	3	28	—	"
Marks & Sp	70	18	—	21	8	—	—	86p
Marks & Sp	90	3½	10	7	—	9½	—	"
Shell	600	39	17	64	—	78	—	635p
Shell	650	12	26	34	—	46	—	"
Totals			372		59		16	

Option	Ex'rc'se price	February Closing offer	February Vol.	May Closing offer	May Vol.	August Closing offer	August Vol.	Equity close
BOC Intl.	70	¾	—	5	20	6½	—	69p
Boots	180	12	5	21	4	25	—	192p
Boots	200	½	9	10	2	14	—	"
EMI	120	—	—	13	—	16	3	120p
EMI	130	1½	—	7½	2	10½	3	"
EMI	140	¼	—	4½	30	7	27	"
EMI	160	¼	—	1¼	80	3	17	"
ImperialGp	90	½	—	3½	—	6½	5	89p
RTZ	260	3½	29	20	—	26	—	277p
Totals			43		138		55	

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price p:	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
65	F.P.	20/2	111	68	Caledonian Hldgs.	110§	...	†7.5	1.6	9.9	9.4
¶¶	F.P.	16/3	132	118	Hunting Assoc. Defd.	120	...	—	—	—	—
—	F.P.	—	104	39	††AS Cargo Airlines	96	...	P2.6	5.7	4.4	(18.4)
—	F.P.	9/2	57	31	M.Y. Dart Defd.	55	−1	—	—	—	—
110	F.P.	17/1	136	115	Milletts 20p	128	+1	h5.7	1.8	6.7	12.2
95**	Nil	—	5p/m	3½pm	Sedgwick F.New10p	4pm	...	T5.0	2.1	7.5	9.3

FIXED INTEREST STOCKS

Issue Price	Am'unt Paid Up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price £	+ or −
¶¶	F.P.	16/2	109p	102p	Assoc. Dairies 9¾% Pref.	103p	+1
¶	Nil	23/2	1pm	1pm	Chepstow Race's 8% Cnv. Uns. Ln. 1988	1pm	...
¶	F.P.	26/1	100½	89¼	Colne Valley Water 8% Red Prf 1983	98½	...
100p	F.P.	28/12	100½p	98p	Findlay 8% Cnv. Cum. Red. Prf.	100p	...
100	F.P.	5/1	140	102	Hawley-Leisure 12% Cnv. Uns. Ln. '86-88	140	+2
—	F.P.	—	138p	118p	††AS Cargo Airlines 6% Cnv. Pref. £1	137p	...
¶	F.P.	1/3	101½	100	Mid Kent Water 8% Pref. 1984	100	...
98	£10	—	9½	9½	Mid-Southern Water 8% Red. Pref 1984	9½	...
100p	F.P.	11/1	107p	100½p	Rivington Reed 9½% Cnv. Cum. Red. Pref.	103p	...
97½p	F.P.	5/1	94p	94p	Seascope 10¼% Pref.	94pxd	...
¶¶	—	9/3	98p	95p	Shaw Carpets 10% 2nd Cum. Pref. £1	95p	...

"RIGHTS" OFFERS

Issue Price p:	Am'unt Paid Up	Latest Renunc. Date ●	Latest Renunc. Date ■	1978/9 High	1978/9 Low	Stock	Closing Price p:	+ or −
60	F.P.	19/1	19/2	78	67	Associated Biscuit	77	−1
125	F.P.	9/2	23/3	171	154	Baker Perkins	171	+9
C$21½	Nil	—	—	$24pm	$15pm	Bank of Nova Scotia	$25pm	+2
60	Nil	—	—	9pm	6pm	Burco Dean	9pm	...
220	F.P.	14/2	6/4	255	238	Haslemere Estates	252	+5
60	Nil	—	—	3pm	2pm	Hawkins & Tipson	2pm	...
58	Nil	—	—	6pm	4½pm	Montfort	4½pm	...
10	F.P.	22/1	23/2	17½	14½	Suter Electrical Defd.	16	...
18	F.P.	14/2	14/3	26½	23	Swan Ryan Intl.	25½	−½

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. Pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., Feb. 14, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Tues., Feb. 13 Index No.	Mon., Feb. 12 Index No.	Fri., Feb. 9 Index No.	Thur., Feb. 8 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	225.74	+0.9	17.98	5.93	7.59	223.82	219.99	221.44	221.58	198.46
2	Building Materials (28)	199.91	+0.8	19.20	6.55	7.17	198.36	195.11	195.92	197.15	175.88
3	Contracting, Construction (28)	335.27	+1.0	23.45	6.14	6.02	331.89	329.80	328.50	331.94	316.50
4	Electricals (15)	535.98	+0.6	14.36	3.54	9.53	532.52	518.81	522.17	522.37	425.73
5	Engineering Contractors (12)	341.95	+0.3	19.65	6.62	6.88	340.97	338.08	340.32	342.38	284.40
6	Mechanical Engineering (73)	175.78	+1.3	18.99	6.33	7.02	173.61	171.62	172.73	173.47	157.13
8	Metals and Metal Forming (16)	156.10	+0.7	17.83	9.21	7.80	155.04	153.60	154.43	154.57	159.95
	CONSUMER GOODS										
11	(DURABLE) (53)	202.16	+1.1	17.44	5.36	7.66	199.91	196.65	197.02	196.23	181.69
12	Lt. Electronics, Radio, TV (16)	261.98	+1.3	14.46	3.99	9.70	258.50	254.60	254.63	253.08	216.27
13	Household Goods (12)	159.10	+0.7	18.88	7.34	7.29	157.98	157.33	158.10	159.83	167.72
14	Motors and Distributors (25)	111.95	+0.8	22.84	7.56	5.50	111.05	108.68	109.76	108.94	112.30
	CONSUMER GOODS										
21	(NON-DURABLE) (170)	205.79	+0.5	16.85	6.28	7.54	204.77	202.54	204.92	204.70	186.80
22	Breweries (14)	224.66	+0.5	17.80	6.69	7.48	223.53	220.90	222.41	222.69	207.47
23	Wines and Spirits (6)	293.42	+0.5	15.83	5.88	9.23	292.05	285.39	286.85	286.36	234.13
24	Entertainment, Catering (17)	271.58	+0.5	16.12	6.97	8.21	270.23	266.58	267.79	267.65	237.46
25	Food Manufacturing (19)	196.84	+0.6	19.09	5.64	6.93	195.74	193.52	194.42	194.29	182.06
26	Food Retailing (15)	229.10	+0.8	14.09	5.14	9.65	227.29	223.66	225.72	224.03	185.07
32	Newspapers, Publishing (12)	377.24	+0.2	21.74	6.48	6.52	376.61	376.51	377.98	376.33	313.98
33	Packaging and Paper (15)	131.99	+0.4	19.11	7.98	6.85	131.40	128.90	130.13	130.50	119.11
34	Stores (40)	191.69	+0.7	12.69	4.97	11.30	190.35	186.40	187.06	186.85	173.33
35	Textiles (23)	170.59	+0.4	18.90	8.79	6.85	169.84	169.06	170.86	170.72	170.61
36	Tobaccos (3)	237.84	−0.2	23.84	8.55	4.93	238.35	234.27	240.69	240.19	214.88
37	Toys and Games (6)	91.33	+1.4	24.29	7.12	4.85	90.06	89.47	90.23	89.86	97.33
41	OTHER GROUPS (99)	193.53	+1.0	15.99	6.45	8.05	191.61	187.78	188.59	189.05	182.57
42	Chemicals (18)	278.47	+1.5	16.01	6.80	8.14	274.40	268.31	269.28	268.63	267.40
43	Pharmaceutical Products (7)	238.83	+0.6	11.63	4.87	10.41	237.36	230.45	231.75	230.88	241.22
44	Office Equipment (6)	125.77	+0.3	17.59	6.51	6.92	125.37	120.98	120.36	120.84	124.50
45	Shipping (10)	409.06	+0.1	14.79	7.43	8.58	408.77	405.81	409.42	407.67	446.06
46	Miscellaneous (58)	208.88	+1.1	18.58	6.88	7.11	206.60	203.62	204.75	205.29	191.49
49	INDUSTRIAL GROUP (494)	214.62	+0.8	16.97	6.16	7.81	213.01	209.35	211.01	210.84	194.03
51	Oils (6)	553.36	−0.1	12.62	3.64	8.61	554.11	509.76	545.03	541.78	405.32
59	500 SHARE INDEX	242.27	+0.6	16.23	5.73	7.94	240.81	237.06	238.30	237.86	214.22
61	FINANCIAL GROUP (115)	168.66	+0.7	—	5.92	—	167.51	165.32	165.30	165.59	159.55
62	Banks (6)	202.29	−0.1	23.31	5.83	6.43	202.40	197.92	197.54	196.88	179.35
63	Discount Houses (10)	213.03	+3.2	—	8.57	—	206.38	204.74	204.48	205.28	199.41
64	Hire Purchase (5)	156.13	+0.2	20.47	5.60	6.27	155.84	153.99	153.16	157.75	146.56
65	Insurance (Life) (10)	128.32	+0.9	—	7.32	—	127.24	126.08	126.78	126.89	134.07
66	Insurance (Composite) (7)	116.63	+0.4	—	7.52	—	116.18	115.75	115.88	116.20	123.07
67	Insurance Brokers (10)	301.10	+1.5	15.85	7.71	9.00	296.53	292.37	293.39	296.77	307.72
68	Merchant Banks (14)	76.60	+1.3	—	6.54	—	75.65	74.91	75.85	75.88	77.03
69	Property (43)	285.88	+1.3	3.70	2.83	43.30	282.15	278.16	277.80	277.83	235.94
70	Miscellaneous (10)	111.03	+1.1	20.35	7.10	6.12	109.86	109.05	109.51	109.06	104.18
71	Investment Trusts (111)	208.37	+1.1	—	5.13	—	206.07	205.31	206.59	207.26	182.37
81	Mining Finance (4)	119.83	−0.1	15.69	5.94	7.85	119.99	121.24	120.06	119.50	98.25
91	Overseas Traders (20)	317.84	−0.1	15.11	7.72	8.46	318.03	316.76	318.00	318.03	273.52
99	ALL-SHARE INDEX (758)	223.29	+0.6	—	5.77	—	221.91	218.09	219.78	219.58	198.65

FIXED INTEREST PRICE INDICES

	British Government	Wed., Feb. 14	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	100.58	+0.18	—	1.63
2	5-15 years	104.91	+0.35	—	1.10
3	Over 15 years	108.36	+0.40	—	1.55
4	Irredeemables	116.77	+0.47	—	0.00
5	All stocks	104.47	+0.30	—	1.46

FIXED INTEREST YIELDS

Br. Govt. Av. Gross Red.

			Wed., Feb. 14	Tues., Feb. 13	Year ago (approx.)
1	Low Coupons	5 years	10.66	10.69	7.87
2		15 years	12.20	12.25	10.19
3		25 years	13.01	13.07	10.65
4	Medium Coupons	5 years	13.72	13.77	10.11
5		15 years	13.75	13.88	11.16
6		25 years	13.75	13.80	11.29
7	High Coupons	5 years	14.17	14.21	10.72
8		15 years	14.32	14.38	12.09
9		25 years	14.28	14.34	12.18
10	Irredeemables		12.75	12.80	10.41

		Wed., Feb. 14 Index No.	Wed., Feb. 14 Yield %	Tues., Feb. 13	Mon., Feb. 12	Fri., Feb. 9	Thur., Feb. 8	Wed., Feb. 7	Tues., Feb. 6	Mon., Feb. 5	Year Ago (approx.)
15	20-yr. Red. Deb & Loans (15)	52.27	14.17	53.04	52.21	52.50	52.51	52.71	52.85	52.75	65.31
16	Investment Trust Prefs. (15)	48.01	14.86	47.88	47.68	47.01	47.01	47.06	48.15	48.24	57.00
17	Coml. and Indl. Prefs. (20)	67.64	13.86	67.41	67.49	68.29	68.52	69.07	69.53	69.80	71.10

‡ Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

AUTHORISED UNIT TRUSTS

E. F. Winchester Fund Mngt. Ltd.
Old Jewry, EC2. 01-606 2167

Great Winchester	17.7	19.3	.....	5.02
Gt. Winchester O'seas	17.80	19.8	.....	4.49

Emson & Dudley Tst. Mngmnt. Ltd.
20 Arlington St., S.W.1 01-499 7551

Emson Dudley Tst	70.3	75.6	.....	7.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	65.9	69.3	.....	4.61

CORAL INDEX: Close 454-459

INSURANCE BASE RATES

†Property Growth 12%
†Vanbrugh Guaranteed 12.62%
†Address shown under Insurance and Property Bond Table.

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

International Pacific Inv. Mgmt. Ltd.
P.O. Box R237, 56, Pitt St., Sydney, Aust.

Javelin Equity Tst.	$2.45	2.57	...	—

J.E.T. Managers (Jersey) Ltd.
P.O. Box 98, Channel House, Jersey. 0534 73673

Jersey Extrnl. Tst.	175.0	195.0	.....	—

As at Jan. 31. Next sub day Feb. 28.

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	HK$313.99	.....	2.40
Jardine J'pn.Fd.*	HK$405.40	.....	0.90
Jardine S.E.A.	$US18.06	.....	1.90
Jardine Flem.Int.	$HK12.04	.....	—
Intl.Pac.Secs.(Inc.)	HK$13.79	.....	—
Do. (Accum.)	HK$13.99	.....	—

NAV Jan. 26. *Equivalent $US85.17. Next sub. day February 15.

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555

Cnv. Bnd. Feb. 13	$US9.53		-0.02	—
Eng. Int. Feb. 13	$US19.70		+0.09	—
Gr. St. $Fd. Jan. 31	$US7.86			—
Merc. Ebd. Feb. 7	$US10.42	10.54	.....	0.3302
Merc.Mny.Mkt. Feb.12	£10.35	10.36	.....	—

Warburg Invest. Mngt. Jrsy. Ltd.
1, Charing Cross, St. Helier, Jsy.CI 0534 73741

CMF Ltd. Jan. 25	$US14.45	14.82	.....	2.90
CMT Ltd. Jan. 25	£14.91	£15.20	.....	2.90
Metals Tst. Jan. 18	£12.93	13.25	.....	0.30
TMT Feb. 8	$US10.45	10.72	.....	2.86
TMT Ltd. Feb. 8	£10.51	10.78	.....	1.25

World Wide Growth Management⊕
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$US15.97	+0.06	—

Wren Commodity Trust
10, St George's St., Douglas IoM 0624 25015

Wren Commod. Tst.	111.7	112.6	...	—

NOTES

Prices do not include $ premium, except where indicated ⊕, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ⊕. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1978-79 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
97	94⅝	Treasury 3pc '79	96xd	.....	3.13	10.23
97⅛	95⅛	Electric 4½pc '74-79	96½	.....	4.41	10.45
104⅞	98⅛	Treasury 10½pc '79	98½	+⅛	10.66	12.65
96½	94½	Electric 3½pc '76-79	94¾	.....	3.69	10.54
103⅛	95⅞	Treasury 9pc 1980	95¾xd	+⅛	9.30	12.41
102⅝	95⅛	Treasury 9½pc '80	95⅝	+⅛	9.03	12.49
95⅛	92⅜	Treasury 3½pc '77-80	92⅞	.....	3.77	9.30
96½	92⅞	Funding 5½pc '78-80	93	.....	5.65	11.03
110¼	99⅞	Exchequer 13pc 1980	99⅞	+⅛	13.01	13.02
106¼	96⅞	Treasury 11½pc 1981	97⅜	+⅛	11.82	13.10
91⅝	88¼	Treasury 3½pc 1979-81	89¼xd	+¼	3.92	9.53
101¼	92⅞	Treasury 9¾pc 1981	93⅜	+⅛	10.44	13.37
97⅛	89½	Exch. 8¼pc 1981	90⅛	+⅛	9.12	13.20
100¼	91¼	Exch. 9½pc 1981	91⅛	+⅛	10.33	13.46
87⅞	84¼	Exch. 3pc 1981	84⅞	.....	3.56	10.25
98⅛	95⅜	Treas. Variable '81	95⅛	+⅛	14.04	14.96
111	98⅛	Exch. 12¾pc 1981	98⅛	.....	13.00	13.57
99⅜	88	Treas. 8½pc '80-82	89⅛	+⅛	9.54	13.09
85⅝	82	Treasury 3pc '82	82⅛	.....	3.65	10.05

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

1978-79 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
110	101½	Do. 14pc '79	103½	.....	14.19	—
114½	98	Do. 14pc '83	83½	+¼	11.25	14.48
85	77½	ICFC 5½pc Deb. '80-82	77½	.....	7.33	13.50
81½	71½	Do. 6¼pc Db. '81-84	72	.....	8.89	14.00
99	84½	Do. 10¼pc Uns. Ln. '86	85½	+½	12.49	14.20
99⅛	84½	Do. 11pc Uns. Ln. '88	85½	.....	13.06	13.80
101½	86	Do. 11¾pc Uns. Ln. '90	86	.....	13.88	14.60
71½	57	Do. 7¼pc A Deb. '89-92	57½	+½	13.02	14.90
71½	53½	Do. 7¼pc A Db. '91-94	54½xd	+1	13.30	14.80
84½	64½	Do. 9pc 'A' '91-94	65xd	+½	13.85	14.80
81⅛	62½	Do. 8⅞pc Ln. '92-97	62½xd	.....	14.20	14.18

FOREIGN BONDS & RAILS

1978-79 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
24	17	Antofagasta Rly.	22	.....	—	—
41	33	Do. 5pc Pref.	40	.....	—	—
98	98	Chilean Mixed	98	.....	—	f3.10
22	6	Chinese 4½pc 1898	19	.....	—	—
35	4½	Do. 5pc 1912	31	.....	—	—
20½	4½	Do. 5pc 1925 Boxer	18½	.....	—	—
415	350	German Yng. 4½pc.	415	.....	4½	—

BONDS & RAILS—Cont.

1978-79 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
55	46	Greek 7pc Ass.	52	.....	3½	16.47
53	46	Do 6pc 28 Stab. Ass.	51	.....	6	15.66
45	40	Do 4pc Mixed Ass.	42xd	.....	4	14.44
55	42	Hung. '24 Ass.	43	.....	—	16.71
77	55	Iceland 6½pc '83-88	68	.....	—	14.40
82	76½	Ireland 7½pc '81-83	78¾	.....	7½	14.38
91	73	Do 9¾pc '91-96	73½	.....	9¾	14.63
425	265	Japan 4pc '10 Ass	375	.....	—	—
87	66	Do 6pc '83-88	66xd	.....	6	11.60
1[illegible]0	135	Peru Ass. 3pc	135	.....	3	2.25
75p	75p	S.G.I. 6½pc 1980	75pxd	.....	6½	3.67
S99	S94½	Turin 9pc 1991	S94½	.....	9	9.53
DM91	DM81	Turin 6½pc 1984	DM91	.....	6½	8.45
97	94	Uruguay 3½pc	97	.....	3½	3.80

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

1978-79 High	Low	Stock	£	+ or —	Div. Gross	C'w	Yld Gr's
21¼	13½	ASA	18⅝	-⅛	$1.00	—	2.7
60½	59	AMF 5% Conv. '87	59	.....	5%	—	f4.8
39⅝	22	Amax $1	36½	-¼	$2.20	—	3.1
50⅞	19½	American Express	22⅛xd	.....	$1.60	—	3.6
24½	11	Amer. Medic. Inl.	21⅛xd	+⅛	60c	—	1.34
15⅝	912p	Asarco Inc.	13⅞	-⅛	40c	—	1.5
29⅛	17⅝	Baker Intnl. Corp. $1	24xd	+⅝	44c	—	1.3
19¼	11⅞	Barnes Grp. $6⅔	17	+½	$1.0	—	3.0
33½	22	Bendix Corp. $5	28	-⅛	$2.56	—	4.6
25½	15	Beth. Steel $8	16½	-⅛	$1.40	—	4.3
13	625p	Brown's Fer. c16⅔	10¼	+¼	50c	—	2.4
15	855p	Brunswick Corpn II	10⅝	.....	70c	—	3.4

S.E. List Premium 46⅝% (based on US$2.0017 per £)
Conversion factor 0.6806 (0.6783)

CANADIANS

S.E. List Premium 46⅝% (based on $2.3858 per £)

BANKS AND HIRE PURCHASE

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Yld Gr's	P/E
84	67	Clive Dis't 20p	77	+2	[illegible]	—	[illegible]	—
†255	171	Com'l Aus. ($A1)	212	-3	Q16c	2.9	4.3	8.2
†£19	£12¼	Com'zbk DM10A	£16¼	-⅛	Q25%	—	4.2	—
£20	£15	C'hgn. Hbk. Kr100	£18½	.....	Q12%	—	6.5	—
35	18	Corinthian 10p	31	+2	†0.71	7.3	3.4	5.3
£24¼	£13¼	Cred. France F75	£23	-1¼	Q9.87%	—	2.8	—
46	7	Dawes (G. R.)	15	+1	—	—	—	—
†£127¼	£89	Deutsche Bank DM50	£110½	+1½	Q18%	—	2.1	—
83½	58	F. C. Finance	63	.....	†2.03	2.6	4.8	12.1
8⅛	1⅛	First Nat. 10p	5⅞	+⅛	—	—	—	—
3	½	Do. Wrrts. 75-83	2¼	.....	—	—	—	—
14½	9½	Fraser Ans. 10p	13⅝	-⅛	—	—	—	—
199	157	Gerrard Natnl.	188	+8	g9.12	—	7.2	—
59	37	Gibbs (A.)	46	.....	2.23	—	7.2	—
255	195	Gillett Bros. £1	220	.....	15.41	—	10.5	—
29	19	Goode D't Mry. 5p	20	+1	0.13	—	0.9	—
142	96	Grindlays	116	-1	2.79	7.1	3.6	4.1
130	93	Guinness Peat	103xd	+2	H5.67	—	8.2	—
217	155	Hambros	176	.....	†9.76	—	8.3	—
100	78	Hill Samuel	81	+2	†4.97	—	9.2	—
600	50	Do. Warrants	50	-7	—	—	—	—
360	203	Hong Shng. $2.50	285	+2	hQ59c	—	2.4	—
69	52	Jessel Toynbee	60	.....	g3.65	—	9.1	—
215	150	Joseph (Leo) £1	150	-5	8.74	—	8.7	—

BANKS & HP—Continued

Hire Purchase, etc.

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MINES—Continued

AUSTRALIAN

1978-79 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
15	9	Acmex	14	...	—	—	—
171	64	Bougainville 50 Toea	159	−4	Q15c	1.4	6.0
139	63	BH South 50c	133	....	—	—	—
620	150	Central Pacific	425				

TINS

COPPER

MISCELLANEOUS

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

$15¼	$10¼	Buffels R1	$12½	...	Q190c	ϕ	17.2
$11⅛	830c	East Drie R1	$10½	......	Q115c	ϕ	12.6
585c	330c	East Rand Pro. R1	400c	−20	Q10c	—	—
$28⅝	$16½	F.S. Geduld 50c	$23½	......	Q315c	2.4	15.4
$15¼	975c	Pres. Brand 50c	$12⅝	......	Q150c	3.2	13.6
$13½	900c	St. Helena R1	$13	−⅛	Q190c	1.4	16.8
570c	313c	Stilfontein 50c	495c	......	Q66c	2.3	15.4
$23¾	$16¼	Vaal Reefs 50c	$22¾	+¼	Q280c	ϕ	14.5
$37	$25	West Drie R1	$32	−⅝	†Q585c	1.7	13.8
$31¼	$19	West Hldgs. 50c	$28	−⅛	Q415c	1.4	17.0
$13	895c	Western Deep R2	$11½	......	Q147½c	2.4	14.7

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT at 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ÷ Regional price.
- Π No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ‡‡ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

" Recent Issues " and " Rights " Page 38

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	......
Ash Spinning	106	......
Bertam	20	......
Bdg'wtr. Est. 50p	326	......
Clover Croft	28	......
Craig & Rose £1	615	......
Dyson (R. A.) A	37	......
Ellis & McHdy.	68	−1
Evered	26	......
Fife Forge	52	......
Finlay Pkg. 5p	21	......
Graig Ship. £1	122	......
Higsons Brew.	70	......
Holt (Jos) 25p	252	......
I.O.M. Stm. £1	232	......
Pearce (C. H.)	200	+5
Peel Mills	24	......
Sheffield Brick	51	......
Sheff. Refrshmt	70	......
Sindall (Wm.)	120	......

IRISH

Conv. 9% '80/82	£88xd	+⅛
Alliance Gas	108	......
Arnott	390	......
Carroll (P.J.)	92	......
Clondalkin	95	......
Concrete Prods.	135	......
Heiton (Hldgs.)	60xd	−3
Ins. Corp.	162	......
Irish Ropes	100	......
Jacob	50	−1
T.M.G.	185	+5
Unidare	90	...

OPTIONS

3-month Call Rates

Industrials	
A. Brew	6½
BOC Intl.	6
B.S.R.	8
Babcock	11
Barclays Bank	25
Beecham	32
Blue Circle	18
Boots	15
Bowaters	14
B.A.T.	24
Brown (J.)	33
Burton 'A'	16
Cadburys	5
Courtaulds	10
Debenhams	8
Distillers	15
Dunlop	5
Eagle Star	10
E.M.I.	14
Gen. Accident	17
Gen. Electric	16
Glaxo	40
Grand Met.	7½
G.U.S. 'A'	20
Guardian	18
G.K.N.	22
Hawker Sidd.	20
House of Fraser	12
I.C.I.	20
"Imps"	6
I.C.L.	40
Inveresk	7
KCA	3
Ladbroke	14
Legal & Gen.	14
Lex Service	7
Lloyds Bank	22
"Lofs"	4
London Brick	6
Lonrho	5
Lucas Inds.	25
"Mams"	12
Mrks. & Spncr	7
Midland Bank	25
N.E.I.	12
Nat. West. Bank	22
Do. Warrants	10
P & O Dfd.	7
Plessey	8
R.H.M.	5
Rank Org.	18
Reed Intnl.	12
Spillers	3½
Tesco	4
Thorn	22
Trust Houses	£18
Tube Invest.	30
Unilever	35
U.D.T.	4
Utd. Drapery	7½
Vickers	15
Woolworths	5
Property	
Brit. Land	3½
Cap. Counties	4½
E.P.	3½
Intreuropean	5
Land Secs.	16
MEPC	12
Peachey	8
Samuel Props.	9
Town & City	1¼
Oils	
Brit. Petroleum	45
Burmah Oil	8
Charterhall	2½
Shell	28
Ultramar	16
Mines	
Charter Cons.	12
Cons. Gold	12
Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday February 15 1979

Fiscal and monetary targets must stay, warns Richardson

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A STRONGLY-WORDED warning that fiscal and monetary targets must be maintained, even though this may squeeze industrial profits, came last night from Mr. Gordon Richardson, Governor of the Bank of England.

He replied to criticism of firm monetary limits and urged that *industry's long-term needs be in* the forefront in framing fiscal policy.

Mr. Richardson, who was speaking at the annual dinner of the Institute of Bankers in Birmingham, highlighted recent evidence of the defects of the pay bargaining structure and welcomed publication of the Confederation of British Industry's contribution to the debate over long-term reform.

The speech can be seen as further reinforcement for the stance of Treasury Ministers in the light of criticisms of Labour MPs—and ahead of probable Cabinet controversies over a *tough* Budget.

Mr. Richardson said that "the maintenance of fiscal and monetary *targets cannot undo the* damage caused by strikes or inflationary settlements; the *bills for that have to be met in* terms of loss of output and increased unemployment.

"But an attempt to avoid or mitigate that cost by increasing money supply further or by lax fiscal policy would serve merely to undermine the financial stability and confidence that have been achieved since 1976, and in so doing would lead to even higher unemployment.

"If the coming year is a hard one, as I expect it to be, there will be some who would seek to represent it as the result of a collision between excessive pay settlements and the maintenance of firm, as opposed to *more accommodating monetary* and fiscal limits.

"But the real collision is *between the level of those settlements* and the level of growth of productivity in our economy."

Mr. Richardson conceded that a "combination of accelerating labour costs and firm monetary and fiscal policy would put industrial profits between the hammer of increased costs and the anvil of more difficult markets."

He argued that, in judging the balance between fiscal and monetary policies, and in framing the detail of the former, the needs of industry and its "disturbingly" low profit margins need to be kept in mind.

The implication is that in deciding between, say, an increase in employers' national insurance surcharge and a rise in value-added tax, the Government should bear in mind the impact of the former on industry's margins. Similarly, the Government should take into account the relative impact on industry of cuts in capital programmes and manpower.

Schmidt urges halt to trade protection

By Jonathan Carr in Frankfurt

A STRONG call for renewed resistance to the threat of trade protectionism was made here last night by Chancellor Helmut Schmidt of West Germany.

Speaking at a Financial Times World Business Conference, Herr Schmidt expressed deep concern that the battle against protectionism had lost the vigour shown in the 1950s and 1960s.

All countries were tempted into protectionism to avoid the need for structural change in product lines, marketing and production methods. The temptation was all the stronger since this change caused at least temporary employment problems. But it had to be actively resisted by all those in governments and parliaments.

Structural change could not come about simply through the free play of market forces—the state often had to help out. But it was essential that this aid did not undermine the will to act by private enterprise.

Noting that the conference *was discussing Finance and Trade in the 1980s*, Herr Schmidt stressed that the key difficulties facing the world economy could not be removed simply by governments sitting around a Cabinet table.

Summits

There was, world-wide, a gap between hard reality and wishful thinking about what governments could accomplish. People *seemed to think that the Western economic summit conferences were the seed of a future world government*, whose collective will could manage things like a calculating machine avoiding all errors and omissions.

"We could easily put up with this if it were just a naive assumption and nothing more," Herr Schmidt said. "But, of course, there is a greater danger. Those who believe in such miracles are bound to suffer disappointment—and that in turn can mean a serious erosion of public confidence."

Conference reports, Page 2

Lorry strike cuts imports and exports by £300m

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE ROAD haulage dispute appears to have cut both exports and imports last month by around £300m below their underlying levels. This is equivalent to roughly 10 per cent of monthly trade.

This was officially estimated yesterday *following* the announcement of a £1m surplus on the current account of the balance of payments in January.

This compares with a £187m surplus in December. The bulk of the change can be explained by a big jump in imports of precious stones, which was only partially offset by a sharp rise in oil exports.

These distortions, coupled with the adverse impact of last autumn's Ford strike, make it difficult to estimate the underlying trend. Over the three months to January there was a current account surplus of £200m compared with £153m in the previous quarter. The rise was largely because of favourable price movements.

Overall, the current account seems to be in rough balance, *thanks mainly to growing North* Sea oil production.

But there are some worrying volume indications. Imports of finished manufactured goods have still been rising fairly rapidly, though purchases of semi-manufactured goods seem *to be levelling-off. The volume* of manufactured exports has been increasing only slowly after adjusting for recent distortions.

The broadly neutral effect of *the road haulage strike on the* January figures is slightly surprising. This may be partly explained by the fact that, even after the dispute started, imports were still being landed and recorded even though they could not leave the docks.

Although the strike ended at the beginning of this month, the trade figures for both February and March are likely to be affected. This is partly because exports are recorded from mid-month to mid-month and imports on a calendar month basis. *Exporters may not have* been able to make good the earlier backlog in the first fortnight of this month.

Consequently there could be some fall in exports in February below the underlying recent level while there may be a *recovery in imports.*

BALANCE OF PAYMENTS
£m (seasonally adjusted)

		Visible trade	Invisibles	Current account
1978	1st	−590	+229	−361
	2nd	−173	+308	+135
	3rd	−365	+316	− 49
	4th*	− 1	+360	+359
	Oct.*	+ 40	+120	+160
	Nov.*	−108	+120	+ 12
	Dec.*	+ 67	+120	+187
1979	Jan.*	−119	+120	+ 1

* *provisional.*
Source: Department of Trade

Japanese move into UK gilts

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPANESE insurance companies have been heavy buyers *of British Government stocks* since the end of last year. Total purchases by life and non-life insurance companies are thought here to have reached about $350m in January and another $150m in the first ten days of this month.

According to some estimates, insurance companies could hold as much as $1bn-worth of British Government stocks by March 31, when the current fiscal year ends. A year ago their holdings were negligible.

Insurance companies have *been free to invest abroad* since 1971 but did so cautiously both before and after the 1973 *oil crisis. This was partly* because yields on Japanese securities were generally higher than those available elsewhere and partly because of unfamiliarity with foreign markets.

About two years ago Japanese interest rates fell below levels in the U.S. and the UK. Insurance companies began moving into U.S. securities in 1977 but *suffered exchange losses* on their investments after the dollar depreciated sharply against the yen in 1977 and last year.

Japanese interest in UK Government stocks stems from the belief that the pound is *likely to remain fairly stable in* the foreseeable future. On this assumption maximum yields of 13 per cent or more on gilt-edged stocks look extremely attractive in comparison with the yields of just over 6 per cent available in Japan.

Motivated

Yields on U.S. AAA-rated corporate bonds range up to 9.6 per cent, but the insurance industry evidently takes a less rosy view of the dollar's future prospects than it does of the pound's.

Apart from being motivated by a search for increased investment income (needed to sustain higher payments to their policy holders) Japanese life insurance companies have apparently *been receiving informal "guidance"* from the Ministry of Finance to step up purchases of foreign securities.

Overseas investment is seen as an internationally acceptable means of reducing Japan's overall balance of payments surplus (more acceptable than "aggressive" overseas lending by banks or insurance companies)

Barry Riley *writes: London* brokers are sceptical that Japanese buying has been as high as $500m, but those brokers with Japanese connections confirm that sizeable buying has been in evidence in recent months.

Some brokers believe the $500m figure may relate to Japanese purchases of all European domestic government bonds. There is also believed to have been buying of bonds in France, and on a smaller scale in the Netherlands, Belgium and West Germany.

Purchases of UK gilts are put at more like $250m.

Continued from Page 1

Fighting in Tabriz after embassy raid

with a call for help, announcing that its main Tehran broadcasting station had been attacked by an *unidentified* group of armed men.

It was not clear last night how much of the fighting had the tacit approval of the *Ayattollah. But there must* now be a big question over whether Iran's new regime *can control the forces it has* unleashed. There must also be doubt over the extent to which the growing number of armed Marxist guerrilla groups will break ranks with the Ayatollah's troops to provoke a full-scale civil war.

Injuries

In the battle for the U.S. embassy one American marine was *slightly hurt* and two attackers reported dead before Mr. William Sullivan, the ambassador, ordered everyone to surrender. Embassy employees came out of the building at gunpoint with their hands up. A knife was held to Mr. Sullivan's neck.

The attack—probably by Left wing guerrillas—represents the most serious anti-American incident in the 14 months of disturbance which led to the Shah's exile in January and the revolution by supporters of Ayatollah Khomeini last weekend. The British embassy was burnt by mobs last November and the Israeli mission ransacked in last weekend's turmoil.

Surprise

Yesterday's attack started after gunmen reported that agents of the Shah's secret police, *SAVAK*, were firing at tthem from the embassy. But people in the building said it was clearly a well co-ordinated surprise attack, with gunmen leaping over the wall wearing gas masks and supported by heavy calibre machine gun fire, from surrounding buildings.

The embassy made calls to the headquarters of Ayatollah Khomeini asking for protec*tion, and, eventually, some of* his supporters came. By that time, some of the attackers had entered the building and the ambassador had ordered its surrender.

The ambassador and some of his staff were taken to the *Ayatollah's headquarters, but* later returned to the embassy compound.

Continued from Page 1

TUC-Government

need for key public service workers to negotiate their pay and *conditions without resort*ing to industrial action, and the relevant groups are to be identified as a matter of urgency.

There is no time to prepare a national economic assessment this year, but Mr. Denis Healey, the Chancellor, has already launched preparations with a meeting planned between Ministers and officials to discuss procedures. An approach will be made to the TUC and *Confederation of British Industry* next week to start bilateral talks in the hope that these will develop into r ound table discussions.

In a Commons statement introducing the concordat, the Prime Minister called it "an *important beginning*," but emphasised that a great deal of detailed work needed to be done before the agreement could be regardd as effective.

For this reason Ministers are increasingly aware of the need to *maintain* office well into the summer and preferably *until* October, so that the agreement can be shown to be operating.

Later Mr. Callaghan and Mr. Murray insisted that the agreement must not be regarded as a general election gimimck. If and when an election came the coun*try had a right to know where* the TUC stood. He believed the TUC had a good record in keeping agreements made with the Government.

Mr. Murray went out of his way to stress that the section of the agreement dealing with industrial relations was not basically new but was a restatement of TUC policy over many years.

Christian Tyler, Labour *Editor, writes:* Within a week or so, Ministers and the TUC will start exploring the mech*anics of a new kind of policy* that does not depend on pay norms, to fulfil the commitments made in the joint statement.

They will try to decide the form that the annual tripartite review of the economy is to take and what sort of figures it will aim to produce. They will also discuss wheather to set up *some kind of relativities board* to deal with serious pay anomalies or pressures, and to mop up the work of various review bodies.

They will discuss which groups of workers should be given pay guarantees that make it unecessary for them to go on strike, and how those pay guarantees are to be set.

Finally, they will discuss whether the pay of public service, workers (not the nationalised industries) should be regularly scrutinised by pay research machinery to maintain partly with the private sector.

Esso, BP facing prices inquiry

By Kevin Done and David Churchill

THE PRICE Commission has refused to allow British Petroleum and Esso to put up oil product prices and is to launch an investigation into the companies' planned price rises.

The Commission is also understood to have frozen proposed 3p a pint rises in the price of beer from two of the major brewers, Bass Charrington and Whitbread.

The move against BP and Esso, which is to be announced tomorrow, will throw oil markets into confusion because *several leading* companies, including Shell and Mobil, have already been allowed to put up prices by nearly 9 per cent.

BP and Esso, however, have been caught by the Government's controversial amendment to the Prices Act, which became law earlier this week.

The Price Commission *(Amendment) Act*, which removes the automatic profit safeguards of earlier legislation, is retrospective and applies to all price notifications received by the Price Commision from January 16.

Several companies, Shell, Mobil, Total, Petrofina and Burmah, had made price notifications before then and have already raised their wholesale prices by an average of about 2.8p a *gallon for all oil products.*

All the oil companies based their price notifications on the need to restore profitability to their refining and marketing operations in the UK and the need to recover the 5 per cent increase in *crude oil costs imposed* by the Organisation of Petroleum Exporting Countries from January 1.

BP and Esso are expected to be allowed an interim rise based on the higher crude costs of importing some oil products.

If a two-tier pricing system emerges, however briefly, it *could cause a rush of buyers* to the cheaper petrol stations. So far the oil companies in the UK have managed to maintain their normal level of supplies to garages and other product customers, but there is no slack in the system.

BP and Esso are expected to meet the Commission today to discuss interim increases.

The two brewery companies, Bass and Whitbread, are likely to discuss with the Commis*sion the possibility of interim* price rises. Allied Breweries, which was investigated by the Commission last year, is the only major brewer so far to be allowed a price rise, which was implemented yesterday.

Weather

UK TODAY

VERY COLD, with snow in most areas. Eastern England and most of Scotland will have some sunny intervals.

London, South East, East Anglia—Snow showers, some heavy. Persistent frost. Max. 0C (32F).

Cent. S., Cent. N., E., N.E. England, E. Midlands, Channel Is., Borders, E., N.E. Scotland
Snow showers, *some sunny* intervals. Max. 0C (32F).

Lakes, W. Midlands, Wales, Isle of Man, N. Ireland, S.W. Scotland, Highlands, Scottish Islands
Sunny intervals, some snow showers. Max. 1C (43F).

● **Outlook:** Very cold, with widespread severe frost, snow showers.

WORLDWIDE

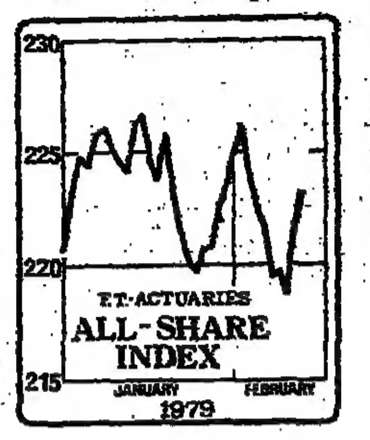
		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	9	48	Locarno	F	9	48
Algiers	C	17	63	London	Sn	−1	30
Amsdm.	Sn	−5	23	Luxmbg.	C	4	39
Athens	F	19	66	Luxor	S	32	90
Bahrain	S	20	68	Madrid	R	5	41
Barclna.	C	13	55	Majorca	F	14	57
Beirut	F	23	73	Malaga	F	17	63
Belfast	C	−1	30	Malta	F	13	55
Belgrd.	S	12	54	M'chestr	Sn	−3	27
Berlin	Sn	−8	18	Melbne.	C	19	66
Biarritz	R	10	50	Mex. C.	S	21	70
Bmghm.	F	−1	30	Milan	C	8	46
Blackpl.	F	−1	30	Mntreal.	S	−5	23
Bordx.	C	9	48	Moscow	Sn	−14	7
Bristol	C	0	32	Munich	F	9	48
Brussels	Sn	−2	28	Nairobi	S	24	76
Budpst.	C	4	39	Naples	R	11	52
B. Aires	S	31	88	Nwcstl.	Sn	−3	27
Cairo	S	25	78	N. York	C	−13	9
Cardiff	C	0	32	Nice	S	14	57
Cape T.	S	25	77	Nicosia	F	20	68
Chicago	C	−6	21	Oporto	R	10	50
Cologne	C	8	46	Oslo	S	−11	12
Cpnhgn.	C	−11	12	Paris	C	8	46
Corfu	F	15	59	Perth	S	28	82
Dublin	C	0	32	Prague	C	3	37
Dbrvnk.	C	14	57	Reykjvk.	C	3	37
Ednbgh.	Sn	−2	28	Rhodes	S	18	64
Faro	F	16	61	Rio J'o	C	28	82
Florence	R	8	46	Rome	R	11	52
Frankft.	C	7	45	Salzbrg.	F	8	46
Funchal	F	19	66	Singapr.	S	28	83
Geneva	F	9	48	Stckhlm.	S	−16	3
Gibrltr.	C	16	61	Sydney	C	23	73
Glasgow	Sn	−1	30	Tangier	F	18	64
G'msey	Sl	2	36	Tel Aviv	S	23	73
Helsinki	S	−22	−8	Tenerife	F	16	61
H. Kong	S	20	68	Tokyo	C	12	54
Innsbrk.	F	9	48	Toronto	Sn	−19	−2
Invrnss.	S	−1	30	Tunis	F	16	61
I.o.Man	C	0	32	Valencia	F	15	59
Jersey	Sl	2	36	Venice	C	9	48
Jo'burg	S	26	79	Vienna	R	2	36
L. Plms.	S	22	72	Warsaw	Sn	−6	21
Lisbon	C	13	55	Zurich	F	9	48

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

Sparing industry a hammering

Index rose 2.0 to 457.4



Prices are rising faster, the inevitable election is getting closer, and the political realities are becoming ever more clearly defined. Yesterday the Price Commission announced a sharp acceleration in notified price rises during January and flexed its new muscles in banning petrol price rises by BP and Esso and the 3p a pint increases proposed by Whitbread and Bass (and already allowed to Allied Breweries). Yesterday, too, Mr. Gordon Richardson, Governor of the Bank of England, warned of the vulnerability of industry's profits. As he put it, a combination of accelerating wages and firm monetary and fiscal policies could trap profit margins between the hammer of increased costs and the anvil of more difficult markets.

A government which only two years ago was pleading for higher profitability in industry *now* has its back to the wall. Where are industry's friends now? The Government still has *to listen to the financial markets*, but that essentially means the foreign exchanges and the gilt-edged market. They are happy so long as the Government's overall monetary stance is restrained. During the past few days the gilt-edged market has responded positively to the rise in interest rates. The danger now is that a Budget concocted for the dual purpose of satisfying the gilt-edged market and minimising electoral damage to Labour's chances could spell trouble for the company sector.

In 1974 Mr. Denis Healey slapped on extra corporate taxes, *in his first Budget*, partly on the justification that recently published Government statistics had shown corporate liquidity to be high. It was a decision which had to be reversed in emergency measures before the end of that year. *Recent figures have again shown industry's liquidity to be high* indeed, at record levels in the middle of 1978—so what could be more convenient than for a Labour chancellor to fall back once again on that standby, the rise in National Insurance contributions, which loses no votes but insidiously undermines the competitiveness of British *industry? And what could be* a better way of at once celebrating and cementing the new deal with the unions than to clamp down on "unjustified price increases" as the Government did yesterday?

All this makes Mr. Richardson's speech last night in Birmingham very timely. The severity of the coming squeeze on industry *will* depend, he pointed out, on the whole mix of fiscal and monetary policies, and on the detail of the former. *The Bank of England, at least*, is calling strongly for priority to be given to encouraging business and industry; but the *shape of the Budget* is being decided elsewhere.

Birmid Qualcast

Birmid Qualcast's share price has for some months now been signalling doubts about whether the final dividend would be maintained. In the event, although 1978 pre-tax profits fell *to £4.77m from* the previous year's £10.55m, it has been increased, and managers of income funds are grinning all over their faces.

Birmid's balance-sheet is strong and it can afford to pay a 30 per cent uncovered dividend, but it is not as though it were holding out hopes of an early recovery. There will be another £3m or so of rationalisation costs in the current year and the South African associate will again contribute a £½m loss. All in all Birmid will do quite well to make £6m in 1979.

The group's foundry business, now being geared down to lower demand levels, is still significantly dependent on BL and Massey-Ferguson. BL's expansive plans for a new aluminium foundry which would *meet all its own requirements* threaten to reduce demand for Birmid products even further. The irrigation and lawn-mower sides are sensitive to the climate and, in the case of lawn-mowers, to variations in consumer spending, while the Potterton boiler division, though showing higher profits, is still undergoing expensive re-organisation.

Birmid's dividend increase shows how frightened companies are of reducing share*holders' income, given the fall* in the share price suffered by Tate and Lyle, for example. A less conservative company than Birmid might have taken its rationalisation costs below the line, especially since most of tahem have yet to be incurred; this would have given a pre-tax figure of £7.73m. The lower profit figure might prove persuasive in negotiations with the unions but the yield, of 14.1 per cent at 56p, still looks rather too good to be entirely safe.

Wilmot Breeden

Rockwell is now talking about an outright bid for Wilmot Breeden, rather than some form of collaboration which was suggested in the original announcement in December. This change of emphasis brought a brief suspension in Wilmot's shares yesterday; details of the full terms could still be a couple of weeks away.

What might Rockwell pay? Wilmot is capitalised at nearly £17m at 81½p, which is over a quarter above where it stood when Rockwell showed its hand. It has an erratic earnings record (the shares touched 41p in 1974) and is at a low point in its profits cycle. But it has net assets of over £27m, and in 1979 its profits could recover to top the previous peak of £8.2m. To secure an agreed bid, which is what it wants, Rockwell will have to be reasonably generous.

Interest rates

Such is the speed with which sentiment changes in the *money markets that the warning of higher interest rates* in Union Discount's latest report and accounts, published yesterday, has already been overtaken by events. Indeed, since MLR was increased to 14 per cent last Thursday, there has been a marked change in emphasis. Notwithstanding the shortages caused by heavy gilts sales, interest rates have been heading lower over the last few days. Three month interbank rates have fallen by half a point and the rate at tomorrow's Treasury bill tender could fall for the first time for nearly two months.

But too much should not be read into this easier trend—rates behaved just the same in *the aftermath of the 2½ per cent* rise in MLR last November. In addition, there is no sign as yet that the discount houses, who have a good nose for lower interest rates, are doing anything more than nibble at the gilt edged market.

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